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ESTABLISHED 1887

Clinton Picks Gore, a Southerner, as Running Mate

By Paul F. Horvitz International Herald Tribune WASHINGTON — Governor Bill Clinton of Arkansas announced Thursday that he had picked Senator Al Gore of Tennessee, a fellow Southern moderate with broad national security experience, to be his Democratic vice-presidential running mate.



Al Gore, left, and Bill Clinton in Little Rock, Arkansas, Thursday to present the Democratic ticket.

Mr. Gore also attacked the White House for presenting itself as "pro-family" while vetoing legislation designed to guarantee families job-leave when a child is born or seriously injured.

"The Clinton-Gore ticket is the pro-family ticket in this race," he declared. Strategists see Mr. Gore as a potential plus for Mr. Clinton in pivotal Southern states and those bordering the South that have fallen firmly into the Republican camp in the past several elections.

While Democrats will rally behind the ticket at their convention opens on Monday, it remains unclear how Mr. Gore will help Mr. Clinton attract either independent voters or those fed up with politics as usual.

A seasoned campaigner, Mr. Gore ran for president four years ago but sat out this year's primaries, saying he wanted to devote more time to his wife and four children.

On economic and trade matters, which are not among those he emphasizes, Mr. Gore has not veered substantially away from the liberal Democratic view.

The boyish-looking senator is a political heir. His father, Albert Sr., served in the House and Senate from 1938 to 1971.

Mr. Gore was elected to his father's old House seat in 1976 at the age of 28. When Howard Baker retired from the Senate in 1984, Mr. Gore won the seat.

In the House, Mr. Gore sat on the Permanent Select Committee on Intelligence and became an expert on arms control. He was one of the first proponents of greater nuclear stability through the elimination of missiles with multiple warheads.

He has been outspoken on complex technology issues ranging from fiber optics to biotechnology and supercon-

Bush Rebuffs Bosnia On Intervention Plea

But He Pledges Material Relief 'No Matter What'

By Andrew Rosenthal New York Times Service

HELSINKI — President George Bush vowed Thursday to bring humanitarian relief to Bosnia "no matter what it takes," but he rebuffed an appeal from the president of Bosnia for international military intervention in his country's war with the remnants of the Yugoslav state, Serbia and Montenegro.

As the 52-member Conference on Security and Cooperation in Europe began a summit meeting here, the Western European Union and the foreign ministers of the North Atlantic Treaty Organization scheduled meetings on Friday. American, British and French officials said they were expected to authorize the use of warships in the Adriatic Sea to enforce the United Nations embargo against Yugoslavia but would refrain from overt intervention.

President Alija Izetbegovic of Bosnia said that in a meeting Thursday, Mr. Bush did not grant his appeal for airborne attacks on the Yugoslav artillery and other heavy weapons that have been used to pound Sarajevo and other parts of his country for months.

Secretary of State James A. Baker 3d said Thursday night that Mr. Bush told Mr. Izetbegovic he "would consider that." But Mr. Baker's response suggested that such action could come only if Mr. Bush decided to send warplanes to protect UN relief convoys in Bosnia and attacks on Serbian artillery could therefore be justified as part of such an operation.

Mr. Baker said Mr. Bush told the Bosnian president that "whatever the United States does will probably be done in a multilateral context and would probably require another UN resolution," adding that the president made it clear that the focus of U.S. efforts is on humanitarian relief and not an ultimate solution to the political conflict.

Against this backdrop, prospects for American and other allied military action in the Balkans were extremely cloudy, Mr. Bush and other leaders tried to keep their options open and give the impression of firm resolve, without committing themselves to any risky course.

The security conference is expected to dispatch its first peace-monitoring mission to Azerbaijan's Nagorno-Karabakh region, The Associated Press reported, quoting officials in Helsinki. Eight nations have offered to send unarmed observers. Mario Raffaelli of Italy, presiding over peace talks between Azerbaijan and Armenia, has been chosen to lead such a mission, officials said. The security conference would not send anyone into the disputed region unless a cease-fire was in place.

The United States and six other leading industrial democracies said at a meeting in Munich this week that they would back the use of force to protect the relief effort that is now under way for Sarajevo and is expected to be expanded to other parts of Bosnia-Herzegovina in coming weeks. But that would require Security Council action, and it is not at all clear

U.S. Wavers On Its Role In Sarajevo

By Barton Gellman Washington Post Service

WASHINGTON — Less than two weeks after deciding to intervene in the Balkans and a week after joining an international airlift of food and medicine into Sarajevo, the State and Defense departments are sharply divided on whether to expand the U.S. role, according to participants in the debate.

Officials described a gathering momentum among U.S. allies for a naval blockade of Serbia and Montenegro and the opening — by force if necessary — of one or more land corridors into besieged Bosnia-Herzegovina.

A U.S. guided-missile cruiser, the Biddle, and the British destroyer Nottingham were on their way to the Adriatic. Some officials said they would probably begin an "observation mission" in case they are given United Nations authority for maritime interceptions to enforce a trade embargo.

Policymakers have publicly ruled out any use of U.S. ground troops in the Balkans, and the Defense Department still vigorously opposes such a decision. But a senior State Department official suggested this week that the prospect remained open.

Behind such questions of means are disputes over ends. Should the international coalition aim to relieve starvation in Sarajevo only? Or is it prepared to undertake a far more extensive effort on behalf of more than a million refugees displaced by Serbian forces in Bosnia-Herzegovina?

Should the relief be directed to purely humanitarian purposes? Or should it seek to influence the course of the conflict in Serbia, Bosnia-Herzegovina, Croatia and their ethnic constituents?

At a news conference in Munich after the meeting of the Group of Seven industrial democracies, President George Bush took no clear position on the questions. He repeated previous statements that he was "not committed to use U.S. troops," adding, "Our interest is in terms of trying to get humanitarian support in there."

But when a reporter asked why the United States could not address the larger political problem, Mr. Bush replied: "I didn't say we couldn't address political problems. I said we're not going to use United States troops to solve the political problems."

The Defense Department, described by one policy official as having "been dragged into this against its will," continues to seek sharp limits on U.S. military involvement in the Balkans.

Since June 30, when he first said that the United States would supply air and naval combat forces, if needed, to ensure the security of relief efforts, Secretary of Defense Dick Cheney has narrowed U.S. aims to the relief of Sarajevo.

By contrast, Secretary of State James A. Baker 3d and other State Department officials have spoken consistently of aid to "the people of Bosnia-Herzegovina," a potentially far broader mandate — and to the Pentagon, a more daunting one.

"Sarajevo is just one place in Bosnia that is in dire straits," said an official in Munich. "And so we also need to get relief to those other places in Bosnia."

The declaration of the Group of Seven industrial powers adopted this broader view, saying the "airlift to Sarajevo can only be the beginning of a larger humanitarian effort."

According to the report, four officers of the Republican Guard plotted to kill the Iraqi leader on June 29. Mr. Saddam's security agents got wind of the plot, and the Iraqi leader never got into the car.

For the Games, Barcelona Washed Out the Dreariness

By Alan Riding New York Times Service

BARCELONA — For the 10,000 athletes who will parade at the opening ceremony of the Summer Olympic Games here on July 25, the challenge will be just beginning. But for Barcelona's politicians, architects and engineers, who have also long prepared for this moment, the games are as good as over.

The key word has been "excuse." The Olympics have been an excuse to modernize and spruce up Barcelona, an excuse to mobilize the

money and energy necessary to do in five years what might normally have taken 30 years. And now the results of \$9.3 billion worth of investment can be seen.

The International Olympic Committee offers Yugoslavia a plan to send athletes to the Barcelona Games as individuals. Page 16.

"You have to remember that Barcelona was in very bad shape," said Oriol Bohigas, an architect who has been a major promoter of the

city's urban renewal. "For 50 years, nothing had been done. Even without the Olympic Games, we had to act.

"The Games just made it all much easier." Already, a 42-kilometer (26-mile) ring road is drawing traffic away from the city center, and a new neighborhood that will serve as the Olympic Village has replaced a dreary coastal stretch of old factories and warehouses.

And, for the first time in a century, Barcelona has regained access to its beaches. In the city itself, plazas have been torn up to

make room for underground parking lots. Churches, museums and historic buildings have been restored. Above all, a new pride is in the air.

To complete the picture, of course, the Olympics have still to go off smoothly, not least because one reason for holding the Games here is to promote Barcelona's good name.

And to that end, an array of sports sites have been built or recon-ditioned at a cost of \$875 million.

Thailand's Crisis Manager Answers Duty's Call Again

By Philip Shenon New York Times Service

BANGKOK — The phone started ringing in the Bangkok home of Anand Panyarachum minutes after the shooting began.

Mr. Anand, then a private citizen, now the caretaker prime minister, said he listened as callers told him how soldiers had opened fire on democracy demonstrators on the streets of the Thai capital.

"I was getting telephone calls day and night," Mr. Anand said in an interview this week, referring to the crisis in May. "There were calls — from some friends, mostly from people I did not know — from all over Thailand." Many people, he said, "asked me to go and see the king."

Mr. Anand said it would have been presumptuous of him to seek an audience with King Bhumibol Adulyadej, the revered constitutional monarch.

Instead, Chitlada Palace called on Mr. Anand. He was summoned to see the king on June 10, and for the second time in less than two years, Mr. Anand found himself with a royal appointment as the caretaker prime minister, this time with a mandate to restore calm to his traumatized nation.

Sitting in his suite of offices in Government House, the 59-year-old prime minister said he did not want the job the first time — and certainly does not want it now. He vows to

leave office as soon as new elections are held in September.

"This time there are more hidden pressures," said Mr. Anand, whose refined Thai upbringing, Cambridge education and 23-year career in the diplomatic service have given him an air of almost preternatural civility and self-confidence in the midst of crisis. He was the Thai ambassador to Washington and delegate to the United Nations before beginning a successful business career.

In the aftermath of the May violence, Mr. Anand said, he has been called on to lead a nation that was initially plagued by "extreme emotions, just like in a western movie, with people in the town crying for lynchings."

Mr. Anand is too careful to say so directly, but the hidden pressures on him stem from his government's behind-the-scenes effort to purge the military of the senior commanders responsible for the violence in May and to begin the process of putting the military under civilian control.

The armed forces have dominated Thai politics for generations — controlling political parties, picking candidates for parliament, staging coups when the generals believed that a civilian government threatened, or might threaten, their power.

Mr. Anand says it is time to begin the process of "depoliticizing" the military, once and for all.

See THAI, Page 2



BELGRADE EQUALIZER — Facing an angry crowd of Serbian students protesting Thursday against the war policies of President Slobodan Milosevic, the head of the Serbian Radical Party, Vojislav Seselj, brandished a pistol in front of the parliament building. Another development in the war came with a Paris decision to send attack helicopters and more troops to Bosnia-Herzegovina. Page 2.

Panel Seeks Prosecutor on Iraq Aid

WASHINGTON (Reuters) — Democrats on a congressional judiciary panel asked Thursday for a special prosecutor to investigate whether U.S. officials committed crimes in aiding Iraq in the months before it invaded Kuwait.

Representative Jack Brooks, chairman of the House Judiciary Committee, announced that 20 of the committee's 21 Democrats signed a letter asking Attorney General William P. Barr to investigate "possible criminal violations by high-ranking officials" in the Bush administration.

Related article, Page 4

It's the Morning After Japan Wed Hollywood

By Bernard Weinraub New York Times Service

LOS ANGELES — Are the Japanese growing queasy about Hollywood? The question has stirred the town this summer, less than three years after the start of a spending spree by Sony Corp. and, to a lesser degree, Matsushita-Electrical Industrial Co., that amazed even Hollywood. If the marriage between Japan and Hollywood seemed, from the outset, a bit shaky, the strains have now left the participants anxious and defensive.

The cause of the difficulties: the facts of life about the movie business, which is often financially unpredictable, chaotic and nasty. And the line between fact and fiction — or truth and rumor — is blurred.

The latest rumor involves some cost-cutting moves at Sony Pictures Entertainment, which owns Columbia and Tri-Star studios. Cost-cutting is generally given lip service in Hollywood: Everyone is in favor of it but few

actually manage to do it. Yet when Sony tries to cut costs, after a spending binge for two years, the town seems shaken.

What hardship can Hollywood possibly endure next? Will Arnold Schwarzenegger earn only \$10 million instead of \$15 million for his next movie? (Actually, he's now asking for deals that could take his pay to \$20 million a picture.)

Several of Hollywood's biggest agents, who spoke on condition of anonymity, say they have been told by Columbia essentially to cool it on proposed deals for the next six months, or to sign contracts but delay payment until next year. The reason: Columbia has stockpiled a number of high-profile, expensive projects, and the studio has spent too much money in the first place.

"Columbia has made it clear that from now until January they're not in the development business," one agent said. "They've got plenty in their inventory."

Another agent said: "It's been difficult to initiate

deals, difficult to close deals. They're on a very tight leash."

Officials at Columbia vigorously deny that its parent company has laid down an edict to limit costs. But even if Sony's president, Norio Ohga, did so at a recent meeting in New York — as has been rumored — is there anything wrong about that? After all, Sony bought Columbia Pictures Entertainment in 1989 for \$3.4 billion plus \$1.3 billion in assumed debt.

And Sony is not the only Japanese company in Hollywood expressing concern about the balance sheet. One year after Sony bought Columbia Studios, Matsushita acquired MCA Inc., which owns Universal Pictures, for \$6.1 billion.

Market data including Dow Jones, The Dollar, and Leisure sections.

Market data including Dow Jones, The Dollar, and Leisure sections.

Baghdad Coup Expertly Quelled, Analysts Say

By Michael R. Gordon New York Times Service

WASHINGTON — The reported coup attempt against President Saddam Hussein appears to have primarily consisted of an effort to assassinate the Iraqi leader as his motorcade was to move through the Baghdad area last week, according to an American intelligence report.

According to the report, four officers of the Republican Guard plotted to kill the Iraqi leader on June 29. Mr. Saddam's security agents got wind of the plot, and the Iraqi leader never got into the car.

In the meantime, a purge of Iraqi military officers seems to be continuing. According to the latest information received in Washington, more than 200 Iraqi officers have now been purged and some have been executed.

Mr. Saddam's government has ordered brigades not to move from their positions, a precaution taken to ensure that a coup cannot be attempted.

In the view of government experts, the continuing purge does not mean that all of the officers detained were involved in a coup attempt.

Market data including Dow Jones, The Dollar, and Leisure sections.

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Alija Izetbegovic, left, president of Bosnia-Herzegovina, making a point Thursday to Boris N. Yeltsin of Russia at dinner in Helsinki.

Serbs to Yield Some Territory to Croats

By Chuck Sudetic
New York Times Service

BELGRADE — United Nations peacekeeping officials here took a major step Thursday toward eliminating a threat to the UN operation in Croatia by winning Serbian agreement to return disputed regions to the Croats, a high United Nations official said.

"This is the first time the Serbs have agreed to hand territory back to Croats," the official said. "If the parties implement this agreement in good faith, it should defuse one of the most flammable situations we're dealing with."

The commander of the United Nations peacekeeping force in Yugoslavia, General Satoru Nishitani of India, won agreement from the president of the self-proclaimed Serbian Krajina Republic, Goran Hadzic, for a gradual transfer to Croatian control of areas known as "pink zones."

These are Serbian-held lands that lie outside United Nations-controlled protected areas, the UN official said.

Leaders of Croatia and Serbia agreed to the plan in meetings with General Nishitani over the last two weeks, the United Nations official said.

"We've got an agreement in principle on the part of everyone to accept and implement Resolution 762," he said. "This endorses the secretary-general's proposal for a step-by-step return of these areas to Croatian control."

The transfer will be administered by a commission whose four members will be worked out this weekend or early next week, the official said.

One UN official, a European Community official, a Croatian representative and one representative of Krajina will make up the commission, he said.

No timetable exists for the transfer of the zones to Croatian authority, he added.

In violation of a 7-month-old United Nations cease-fire accord, Croatia's forces seized seven villages and the town of Drnis from Serbian forces on June 21.

France to Send Attack Helicopters

France said Thursday that it was sending attack helicopters and 700 more troops to protect Sarajevo, the besieged capital of Bosnia-Herzegovina, Reuters reported from Paris.

The Foreign Ministry said the soldiers would arrive in Sarajevo by July 23 to protect the airport, which has become a lifeline for supplies. A squadron of attack helicopters will be sent in four days earlier.

France's new contingent would bring the total number of French troops in the former Yugoslavia to nearly 3,000.

'Well, I Declare! Well, You'd Better At N.Y. Customs

By Betsy Wade
New York Times Service

NEW YORK — If your bags catch Paul Mazurkewicz's eye while on the luggage carousel, you better have your customs declaration filled in completely or your passage through Kennedy International Airport may be unpleasant.

At an airport where the U.S. government is focusing heavily on trying to stop the entry of illegal drugs, Mr. Mazurkewicz and 15 or 20 others in the airport's customs force of 500 specialize in spotting merchandise that travelers are trying to bring in without paying duty.

From Oct. 1, 1991, to May 31 of this year, undeclared goods worth more than \$2.7 million were seized from 526 passengers, an average of \$5,000 per seizure.

The government collected 40 to 50 percent of this amount in duty and penalties before releasing the goods to the travelers, which is almost always an instantaneous procedure when the bill is paid. It can be done by credit card.

These inspectors are not concerned about a \$50 sweater. They are after goods worth \$1,000 or more. With 8.5 million passengers arriving from abroad each year, they are too busy to bother with small change.

In the last two years, since the quick-look system was set up so that passengers with nothing to declare can pass without pausing, 95 percent of international arrivals at Kennedy walk straight through. "I can tell in a minute and a half if it's going to be a good stop," Mr. Mazurkewicz said.

He cites a number of clues:

- "Round numbers on the declaration, or a total that falls just under the \$400 duty-free allowance."
- "It's an indicator if they live in a wealthy area."
- "Often they say they do not have receipts, or they produce handwritten receipts from a store and say they paid cash."
- "It's an indicator if the wife turns her back or steps away to rummage in her handbag for a receipt. It's a giveaway if the husband backs off seven steps while the wife talks to me."

Mr. Mazurkewicz remarked, "Now those are very nice bags" as he gazed at some black suitcases on the carousel for an Air France flight. Customs inspectors tend to look for the affluent simply because they are more likely to have spent more.

If something he sees or hears indicates the bags belong to foreigners who are not U.S. residents, they will be passed through. Foreign visitors to the United States need declare only things they are not going to take home again.

Travelers with concealed goods may be resentful as well as anxious when they are approached.

"These are people of wealth and influence," Mr. Mazurkewicz said. "They are not accustomed to being questioned. One man said, 'What are you doing? I came over on the Concorde!'"

"People always say the same things, which amazes me," he said. "They say that it was a gift and thought they did not have to declare it."

Frank Festa, assistant chief inspector for Kennedy, predicted within \$200 the undeclared material a couple with a shopping bag were bringing back from Italy. He guessed two pieces of jewelry and a couple of outfits; it proved to be a necklace the wife was wearing and two pieces of costume jewelry with handwritten receipts for amounts far below the price on the charge card receipts.

At each step, the inspector offers travelers an opportunity to amend their declarations, which is not a practice that prevails at all ports of entry.

In some places, customs inspectors send travelers carrying \$2,500 in undeclared goods to the next step up the ladder, the legal department, Mr. Festa said.

"Not here," he added. "The majority of the heroin entering the United States comes in here, and we are busy."

Proposals that travelers reconsider are efficient in terms of time. One traveler caught with an elaborate handmade silk blouse from France that cost \$15,930 refused all such offers until after the penalty was announced, and then it was too late.

The inspectors involved in the merchandise seizure process — which can lead to criminal prosecution if the undeclared value is above \$25,000 and the travelers are obdurate — levy maximum penalties in the event of noncooperation. Prosecutions are rare.

In a case where a couple produced no receipts and compelled the inspector to go through three suitcases item by item, for a total of 130 cotton dresses from India, the penalty was six times the duty. On a second offense, it can rise to eight times the duty.

To keep the system honest, in the words of Mr. Festa, all passengers on two flights a day, selected without prior notice, are put through an old-style inspection. It gives the customs people a benchmark for how well they are doing on the quick look.

Often a "drug flight" is selected, one that has consistently produced smugglers, but no flight escapes this intense scrutiny for long.

The figures for the first eight months of this fiscal year show that the 526 merchandise seizures increased from 292 in the same period a year ago, but the value did not rise correspondingly. This is a consequence, Mr. Mazurkewicz said, of less money being spent.

What merchandise comes in? Inspector Cliff Harris looked into the computer record.

A rock singer brought in eight custom-made suits but declared only his fiancée's leather handbag. A boutique owner brought in four fur coats.

The inspectors gathered around the computer screen and relived the past: the man who got so angry that he began to throw his new suits across the floor and threatened to take off his pants; the husbands who shouted "You spent what?"

Mr. Festa remembered a honeymooning husband who heaved a teapot at his bride as her purchases emerged.

Mr. Klestil, 59, appealed Wednesday for citizens to "again be proud of Austria," saying the country now faces its most important years since regaining independence from the World War II allies in 1955. He said Austria must move rapidly to join the European Community and think over its neutrality in order to participate actively in European security policy.

Mr. Waldheim, 73, who took office on July 8, 1986, has never been proven to bear responsibility under criminal law for war crimes, but an international historians' commission concluded in 1988 that he covered up his service as an intelligence officer in a German Army unit that deported Jews and others to death camps.

Mr. Klestil, who made no direct mention of the Waldheim affair, said, "We have a major educational task of great moral responsibility. We must deal honestly and candidly with our history. We owe that to the unfortunate victims of past inhumanity, hatred and racial delusions. We also owe it to ourselves."

Mr. Klestil is a former ambassador to Washington and to the United Nations. He won 57 percent of the vote May 24, running, as Mr. Waldheim had, with the support of the conservative People's Party.

In April 1987, the U.S. government barred Mr. Waldheim from the United States, and virtually all Western heads of state have avoided contact with him.

Shortly after Mr. Waldheim's wartime role was revealed and he came under heavy attack from the New York-based World Jewish Congress, he explained he had "merely done my duty" in serving in the German Army.

Mr. Waldheim stressed Wednesday that it was unfair to equate members of his wartime generation with the Nazi regime.

"I have also learned how difficult it was for me as a member of this generation to make clear a contradiction that is hardly understandable for the generation born later — namely the contradiction that has rejected this regime from the first hour on, even though I lived under this regime and wore its uniform."

THAI: Thailand's Crisis Manager Is Back in Office

(Continued from page 1)

all. "These matters are not easy to solve, because they have such emotional content," said Mr. Anand, who offers few details of his government's plan for overhauling the military and its leadership.

Some of the plan became public Thursday, when it was announced that Mr. Anand had signed an executive order stripping the military of its command of what is known as the Internal Peacekeeping Command, a body established in times of national emergency.

"I must read this carefully," he said. "This is not my style of management — I want everything to be transparent and I want everything out in the open. But I hope you understand that issues of this kind need to be resolved more or less in a quiet matter."

It cannot be rushed, he said. "This is the Thai way of dealing with a bad situation," Mr. Anand explained. "You don't do it all in one stroke. There might be some demonstrations and the violence marked a turning point in Thailand's pursuit of democracy."

"It was a very sad and sorrowful episode," he said. "But I'm sure that those who lost their lives will not have died in vain. It is a watershed in our political history."

Shevardnadze Sees Bush in Helsinki

AGENCE FRANCE-PRESSE

HELSINKI — President George Bush met here Thursday with Eduard A. Shevardnadze, the chief of state of Georgia, on the sidelines of the Conference on Security and Cooperation. "It seems like old times," Mr. Bush said.

Secretary of State James A. Baker 3d said the talks focused on the secessionist conflict in South Ossetia, an ethnic territory in Georgia whose people want to merge with North Ossetia in Russia.

French Say Gun-Pointing In Photo Was Misleading

INTERNATIONAL HERALD TRIBUNE

PARIS — The French minister of the interior, Paul Quilès, said Thursday that a photograph showing a police officer pointing his pistol at a truck driver had given an erroneous impression of police violence.

The incident happened as the police cleared a barricade of trucks in Lyon on Tuesday. (The International Herald Tribune and other newspapers published the photo.)

Mr. Quilès said the police officer had been forced to draw his service revolver when the truck driver threatened to run him over.

The photographer for Agence Franco-Presse who took the picture was too far away to hear what was said between the police officer and the truck driver, according to the editor in charge of the French service on Thursday, Francois Richard.

He said the photographer took the picture in the midst of a confusing situation and was unable to verify Mr. Quilès's allegation that the trucker was driving toward the officer.

In a letter, the minister said that the police officer was acting "in a situation of legitimate self-defense."

Waldheim Retires, With Some Regrets

By Michael Z. Wise
Washington Post Service

VIENNA — Kurt Waldheim's controversial presidency has ended, six years after he was elected amid allegations that he took part in war crimes.

Mr. Waldheim expressed regret at "not having found the right words" appropriate to the immensity of wartime atrocities in which, he said, "unfortunately not a few Austrians" collaborated with the Nazis.

His successor, Thomas Klestil, pledged that Austria would not shirk the burden of its past as it looks to future challenges.

Dutch Expel a Diplomat Said to Be a Serbian Spy

INTERNATIONAL HERALD TRIBUNE

AMSTERDAM — A senior Serbian diplomat has been expelled from the Netherlands amid allegations that he spied on refugees from the former Yugoslav republics who had sought asylum in the Netherlands.

Radoslav Jankovic, the first secretary at the former Yugoslav Embassy in The Hague, reportedly left the country on June 17 after being ordered out by the Dutch government.

The authorities have also suspended a Dutch civil servant from her job at the Justice Ministry. She is suspected of providing Mr. Jankovic with information from government files on the refugees.

Officially, Mr. Jankovic was expelled as part of the United Nations resolution imposing sanctions against Serbia. Part of the UN resolution calls for a cutback in the staffs at the embassies that formerly represented Yugoslavia.

But the Dutch security service, the BVD, has long suspected Mr. Jankovic of "engaging in activities that had nothing to do with his diplomatic duties," according to press reports. One newspaper said that BVD agents may have tapped Mr. Jankovic's private line as well as listening to telephone conversations to and from the embassy.

WORLD BRIEFS

Columbia Shuttle Finally Lands

CAPE CANAVERAL, Florida (AP) — Columbia swept through a clear Florida sky and landed at Kennedy Space Center with seven astronauts Thursday after being away two weeks on NASA's longest shuttle flight.

The spaceship, diverted to Florida because of bad weather at the main landing site in California, touched down at 7:43 A.M. It rolled to a stop on the concrete runway, slowed by a new red white and blue drag chute.

Columbia had begun its laboratory research mission just five miles (8 kilometers) away, 14 days before. The shuttle traveled 5.76 million miles and circled the world 221 times. "It was a completion of a great mission," said the director of the Kennedy Space Center, Robert L. Crippen, a former astronaut, who greeted the crew. "The vehicle has come back looking outstanding. The crew is all looking good and very excited."

Rights Group Reports Abuses in Asia

LONDON (AP) — Hundreds of people were illegally executed in Sri Lanka and Indonesia and thousands of political opponents were imprisoned in Burma and China last year, Amnesty International reported Thursday.

In China, it said, hundreds of thousands of people were held without charge under various forms of administrative detention, some of them political or religious dissidents, notably Catholics in northern China and Buddhist monks in Tibet. Thousands of political prisoners, including hundreds of prisoners of conscience, remained in prison, many in connection with the 1989 protests on behalf of democracy, the report said.

In Thailand, security forces committed "gross human rights violations," killing an unknown number of demonstrators calling for the resignation of the unelected prime minister, the Amnesty report said.

French Politician May Be Indicted

PARIS (AFP) — The speaker of France's National Assembly, Henri Emmanuelli, is about to be indicted in connection with an investigation into fraudulent financing of the governing Socialist Party, the newspaper Le Monde reported Thursday.

The independent daily said the magistrate in charge of the inquiry, Renaud Van Ruymbeke, had subpoenaed Mr. Emmanuelli, former treasurer of the Socialist Party, to inform him of the indictment. Sources close to the speaker said no such document had been served.

The Socialist Party said in a statement that it "vigorously denounced" the Le Monde report, saying its publication on the eve of a special Socialist Party congress in Bordeaux was a political move.

Mandela Rejects Appeal for Meeting

JOHANNESBURG (Reuters) — Nelson Mandela on Thursday formally rejected President Frederik W. de Klerk's appeal for a meeting to break South Africa's deadlock in negotiations, saying it would serve no purpose at this time.

Mr. Mandela asked Mr. de Klerk to recognize the gravity of the crisis and address demands by the African National Congress for action against the violence in black communities.

The ANC president said a way must found to address the violence so that negotiations would be meaningful.

Half of U.S. Cities in Fiscal Trouble

WASHINGTON (WP) — More than half of U.S. cities experienced financial difficulties this year and cut services and staff as well as raising taxes, according to the annual report of the National League of Cities.

The cities attributed their fiscal stress to rising costs of employee health benefits, the recession, infrastructure needs and federal and state requirements that have gone unfunded, the study reported.

"Essentially what is happening is the federal government is shifting costs onto local government," said Donald J. Borst, executive director of the association.

French Truckers Abandon Blockade

PARIS (Reuters) — French truck drivers abandoned their last blockade Thursday morning, leaving France's road network free after a damaging 10-day dispute over new driving regulations.

Traffic authorities warned motorists, however, that they should still expect delays and snarls. Up to 5 million vehicles are expected to take to the roads this weekend — one of the biggest of the summer and just before Bastille Day holiday.

Tourism Minister Jean-Michel Baylet said on French radio that his sector had lost up to 2 billion francs (\$400 million) because of the blockades. "The way the dispute was portrayed in the foreign media did us harm," he said, "because they portrayed it as a kind of civil war."

Air-Inter ground service unions have called for a two-day strike on Friday and Saturday of all ticketing, reservation and registry employees at the domestic carrier's home airport, Orly-West. Air-Inter said the action would not affect passengers. The strike is for better working conditions and career opportunities. It will coincide with a strike by ground mechanics Friday, Saturday and Sunday at Air France, the mother company of Air-Inter. Air France said the strike by mechanics would not affect flight schedules.

French dockers erected a barricade blocking access to the port of Bordeaux on Thursday and said they would strike indefinitely to protest a recent government revision of dock labor practices.

Southern California brush fires that galloped through remote areas this week are seen by firefighting officials as an early warning of what they said could be one of the most destructive fire years in the Western United States, where there has been a prolonged drought.

The Weather

Forecast for Saturday through Monday

Unusually Warm, Unusually Dry, Heavy Rain, Heavy Snow

Region	Today	Tomorrow
North America	Sweating heat will smother the Southern states from Texas to Georgia and Florida. Steady rains will soak portions of southern Scandinavia and northern Germany. Elsewhere, sun will shine with brief Madrid and Seville. Rome will have partial sunshine.	The weekend will be cloudy, damp and rainy in Europe. Steady rains will soak portions of southern Scandinavia and northern Germany. Elsewhere, sun will shine with brief Madrid and Seville. Rome will have partial sunshine.
Europe	Unusually Warm, Unusually Dry, Heavy Rain, Heavy Snow	Unusually Warm, Unusually Dry, Heavy Rain, Heavy Snow
Asia	Muggy warmth will foster a few showers this weekend in Korea and western Japan. It may rain a few times in Tokyo as well. Normal steamy tropical heat with scattered downpours will persist in Bangkok, Singapore, Hong Kong and Taipei.	Muggy warmth will foster a few showers this weekend in Korea and western Japan. It may rain a few times in Tokyo as well. Normal steamy tropical heat with scattered downpours will persist in Bangkok, Singapore, Hong Kong and Taipei.

Region	City	Today	Tomorrow	
Europe	Algeria	29.88	29.88	
	Amsterdam	18.84	18.84	
	Antwerp	18.84	18.84	
	Athens	29.88	29.88	
	Berlin	18.84	18.84	
	Bombay	29.88	29.88	
	Buenos Aires	29.88	29.88	
	Calcutta	29.88	29.88	
	Caracas	29.88	29.88	
	Chengde	29.88	29.88	
Asia	Bangkok	29.88	29.88	
	Beijing	29.88	29.88	
	Bombay	29.88	29.88	
	Brussels	18.84	18.84	
	Calcutta	29.88	29.88	
	Chengde	29.88	29.88	
	Colon	29.88	29.88	
	Hankow	29.88	29.88	
	Hong Kong	29.88	29.88	
	London	18.84	18.84	
Latin America	Buenos Aires	29.88	29.88	
	Caracas	29.88	29.88	
	Havana	29.88	29.88	
	Managua	29.88	29.88	
	Medan	29.88	29.88	
	Montevideo	29.88	29.88	
	Quito	29.88	29.88	
	Santiago	29.88	29.88	
	Sao Paulo	29.88	29.88	
	Taipei	29.88	29.88	
Africa	Algeria	29.88	29.88	
	Cairo	29.88	29.88	
	Harare	29.88	29.88	
	Johannesburg	29.88	29.88	
	Luanda	29.88	29.88	
	Nairobi	29.88	29.88	
	Windhoek	29.88	29.88	
	Oceania	Auckland	29.88	29.88
		Christchurch	29.88	29.88
		Dunedin	29.88	29.88
Hamilton		29.88	29.88	
Wellington		29.88	29.88	
Middle East		Amman	29.88	29.88
		Baghdad	29.88	29.88
		Beirut	29.88	29.88
		Jerusalem	29.88	29.88
		Riyadh	29.88	29.88
	Tel Aviv	29.88	29.88	
	Yamoubo	29.88	29.88	
	South America	Buenos Aires	29.88	29.88
		Caracas	29.88	29.88
		Havana	29.88	29.88
Managua		29.88	29.88	
Medan		29.88	29.88	
Montevideo		29.88	29.88	
Quito		29.88	29.88	
Santiago		29.88	29.88	
Sao Paulo		29.88	29.88	
Taipei		29.88	29.88	

Dutch Expel a Diplomat Said to Be a Serbian Spy

INTERNATIONAL HERALD TRIBUNE

AMSTERDAM — A senior Serbian diplomat has been expelled from the Netherlands amid allegations that he spied on refugees from the former Yugoslav republics who had sought asylum in the Netherlands.

Radoslav Jankovic, the first secretary at the former Yugoslav Embassy in The Hague, reportedly left the country on June 17 after being ordered out by the Dutch government.

The authorities have also suspended a Dutch civil servant from her job at the Justice Ministry. She is suspected of providing Mr. Jankovic with information from government files on the refugees.

Officially, Mr. Jankovic was expelled as part of the United Nations resolution imposing sanctions against Serbia. Part of the UN resolution calls for a cutback in the staffs at the embassies that formerly represented Yugoslavia.

But the Dutch security service, the BVD, has long suspected Mr. Jankovic of "engaging in activities that had nothing to do with his diplomatic duties," according to press reports. One newspaper said that BVD agents may have tapped Mr. Jankovic's private line as well as listening to telephone conversations to and from the embassy.

Waldheim Retires, With Some Regrets

By Michael Z. Wise
Washington Post Service

VIENNA — Kurt Waldheim's controversial presidency has ended, six years after he was elected amid allegations that he took part in war crimes.

Mr. Waldheim expressed regret at "not having found the right words" appropriate to the immensity of wartime atrocities in which, he said, "unfortunately not a few Austrians" collaborated with the Nazis.

His successor, Thomas Klestil, pledged that Austria would not shirk the burden of its past as it looks to future challenges.

Paris Wary of Goebbels Diary

REUTERS

PARIS — French government scientists urged caution on Thursday in accepting the authenticity of diaries attributed to the Nazi propaganda chief, Joseph Goebbels, and offered to carry out forensic tests to determine whether they are genuine.

The diaries, discovered in a Moscow archive where they had been unnoticed for 30 years, are about to be published in the Sunday Times of London, which has hired an extreme rightist historian, David Irving, to transcribe them.

The French government's scientific research center said the case was uncomfortably reminiscent of the "Hitler diaries," which were published by a German magazine in 1983 before being uncovered as a fake.

According to the center, the forgery of the Hitler diaries "could in fact have been demonstrated by a paper analysis."

"With the discovery in Moscow of a diary attributed to Goebbels it is opportune to reiterate this point," it said. "This time we are dealing with photographs, which rules out a paper analysis, but not an analysis of handwriting."

The center said France had developed forensic methods to test handwriting and indicated that it was willing to use them if asked.

The diaries cover the period from 1924, shortly before Goebbels was sent to Berlin to arouse Nazi support there, until his suicide at the end of World War II in 1945.

Their publication has caused a furor in Britain and elsewhere because of the involvement of Mr. Irving, a cult figure among neo-Nazis.

THAI: Thailand's Crisis Manager Is Back in Office

(Continued from page 1)

all. "These matters are not easy to solve, because they have such emotional content," said Mr. Anand, who offers few details of his government's plan for overhauling the military and its leadership.

Some of the plan became public Thursday, when it was announced that Mr. Anand had signed an executive order stripping the military of its command of what is known as the Internal Peacekeeping Command, a body established in times of national emergency.

"I must read this carefully," he said. "This is not my style of management — I want everything to be transparent and I want everything out in the open. But I hope you understand that issues of this kind need to be resolved more or less in a quiet matter."

It cannot be rushed, he said. "This is the Thai way of dealing with a bad situation," Mr. Anand explained. "You don't do it all in one stroke. There might be some demonstrations and the violence marked a turning point in Thailand's pursuit of democracy."

"It was a very sad and sorrowful episode," he said. "But I'm sure that those who lost their lives will not have died in vain. It is a watershed in our political history."

French Say Gun-Pointing In Photo Was Misleading

INTERNATIONAL HERALD TRIBUNE

PARIS — The French minister of the interior, Paul Quilès, said Thursday that a photograph showing a police officer pointing his pistol at a truck driver had given an erroneous impression of police violence.

The incident happened as the police cleared a barricade of trucks in Lyon on Tuesday. (The International Herald Tribune and other newspapers published the photo.)

Mr. Quilès said the police officer had been forced to draw his service revolver when the truck driver threatened to run him over.

The photographer for Agence Franco-Presse who took the picture was too far away to hear what was said between the police officer and the truck driver, according to the editor in charge of the French service on Thursday, Francois Richard.

He said the photographer took the picture in the midst of a confusing situation and was unable to verify Mr. Quilès's allegation that the trucker was driving toward the officer.

In a letter, the minister said that the police officer was acting "in a situation of legitimate self-defense."

Shevardnadze Sees Bush in Helsinki

AGENCE FRANCE-PRESSE

HELSINKI — President George Bush met here Thursday with Eduard A. Shevardnadze, the chief of state of Georgia, on the sidelines of the Conference on Security and Cooperation. "It seems like old times," Mr. Bush said.

Secretary of State James A. Baker 3d said the talks focused on the secessionist conflict in South Ossetia, an ethnic territory in Georgia whose people want to merge with North Ossetia in Russia.

Waldheim Retires, With Some Regrets

By Michael Z. Wise
Washington Post Service

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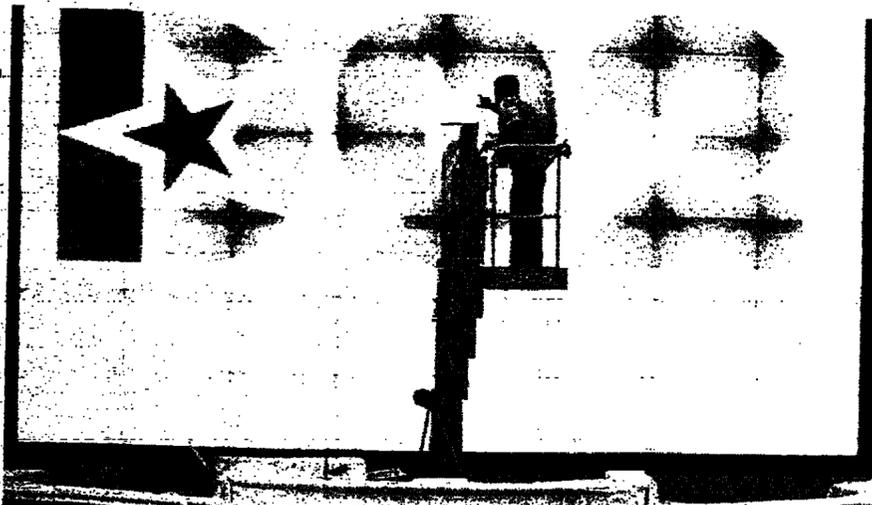
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Honey As Perot The Law

On Gore Party Line Holds True

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A technician making a final inspection of the video backdrop for the speaker's podium at the Democratic National Convention, which begins Monday at Madison Square Garden in New York City. The convention is expected to nominate Bill Clinton for the presidency.

On Deficit, Does Clinton Echo Reagan?

By Steven Greenhouse
New York Times Service

WASHINGTON — Democrats hate to admit it, but Bill Clinton sometimes sounds like Ronald Reagan, especially when he asserts that the economy can grow its way out of the budget deficit.

And partisans of President George Bush who deride Mr. Clinton's economic program often sound the way Democrats did when they questioned whether the tax cuts of the first Reagan term would reduce the federal deficit.

But appearances can be deceiving. When the Arkansas governor and apparent Democratic presidential nominee calls not for tax cuts but for more spending on public investment, he sounds far more like a Roosevelt Democrat than a Reagan Republican.

Mr. Clinton's advisers acknowledge that his plan relies heavily on economic growth. But they assert that their focus on increasing investment will serve as an engine for growth that will in turn increase tax revenue, reduce poverty and cut the demand for social programs

like food stamps. All this, they assert, will bring a lower deficit.

The heart of the Clinton plan is spending \$200 billion over four years on public investment: building high-speed railroads and a nationwide computer network, and improving education and job training.

This, his advisers say, would increase productivity by three-tenths of 1 percent a year. They decline to estimate how much it would spur growth.

Indeed, what comes through strongly in speaking to Mr. Clinton and his advisers is their conviction that enhancing investment is a more urgent priority than curbing the deficit. And although he insists that he remains committed to eliminating the deficit, Mr. Clinton said the economic plan he unveiled June 21 was influenced by 100 leading economists, including six Nobel laureates, who signed a letter urging the government to spend \$50 billion a year on investments to speed economic growth.

"In the absence of increasing investment in this country, including public investment, you can't get growth going again," Mr. Clinton said.

There is an undeniable admission to Mr. Clinton's economic plan, just as there was to Mr. Reagan's.

The former president's arguments that tax cuts would increase growth and government revenue dovetailed perfectly with conservative dogma.

Mr. Clinton's contention that beefed-up public investment will produce growth and a lower deficit dovetails neatly with Democratic beliefs.

His plan has drawn plenty of Republican fire, with Vice President Dan Quayle lambasting it as just another "tax-and-spend" democratic proposal that fails to discipline spending.

Conservative economists generally contend that it is too generous in estimating how rapidly growth will occur and too stingy about specific proposals to trim the deficit.

"I don't think he has really addressed the budget deficit at all," said Edward Huddins, an economist at the Heritage Foundation.

"Unfortunately, he still hasn't focused on the major structural reasons for big spending and taxes," Mr. Huddins is among those who fault the governor's plan for failing to spell out how it would reduce Medicare and Medicaid costs. Other conservative critics say Mr. Clinton exaggerates how much money can be collected by closing loopholes on foreign companies doing business in the United States.

"Seriously analyzed, it is transparently a phony," said Richard G. Darman, the administration's budget director.

The Congressional Budget Office predicts that the deficit will fall to \$190 billion in the fiscal year 1996 from about \$330 billion next year. Mr. Clinton says that under his plan, the deficit will fall to \$141 billion in 1996.

According to the budget office, the main reason for the anticipated decline is that the government will pay out some \$69 billion next year to bail out failed savings and loans.

Honeymoon Ends As Perot Discovers The Laws of Politics

By Michael Kelly
New York Times Service

DALLAS — Now is the testing time for Ross Perot. The last few weeks have battered the Texas independent's still undeclared presidential campaign and have stalled its momentum, causing slippage in the polls and worry in the offices of the Perot Petition Committee.

Mr. Perot, who conceived of, and sold, his extraordinary run for the presidency as a rebellion against party politics, has discovered he is not, after all, above the problems that bedevil mortal politicians: organizational weaknesses, turf battles in the ranks, criticism from press and opponents, the pressure groups, the endless, complex demands of a national campaign.

He is learning the immutable needs and frustrations of the job he has set for himself. He needs good press, and he says he has found

political reporters to be far more fickle and reflexively critical than the business writers he is used to. He needs a pleasant, positive image, and he has found that his opponents are determined to paint him in darker hues. He needs to attract a running mate and policy advisers of the sort that advertise his credibility, and he has found that few members of the establishment he so colorfully disdains wish to have much to do with him.

Above all, it appears he needs the very thing he most mocked a month ago: clear, detailed positions on the issues. To that end, Mr. Perot has reversed his position and said he would not rule out naming someone to a cabinet position on the basis of sexual orientation — a stance that has earned him the wrath of gay groups.

From the outset, Mr. Perot presented himself not as a thinker, but as a doer, someone who should be president not so much for any specific ideas on how to fix the nation's ills, but simply because he was generally good at fixing things. As president he would be a sort of mechanic in chief — as he often put it, "under the hood of the car, working on the engine."

It now appears that many voters did not accept the analogy.

"I like Mr. Perot a lot, but I'm still undecided about voting for him," said Ken M. Hiltz, a retired U.S. Air Force fighter pilot who was serving as grand marshal of an Independence Day rally on behalf of Mr. Perot. "I just don't know enough about where he stands. I guess I'm like the old boy from Missouri: Show me."

Perot campaign officials acknowledge they must begin to shape what they are about, rather than simply following Mr. Perot. "We recognize that we have to have people in key spots who are political professionals," said the Perot Petition Committee chairman, Tom Luce. "People who have been there, who can say, 'Hey, Perot, here are the things — X, Y and Z — that are going to happen to you in the next 30 days, and here are our recommendations for dealing with those things.'"

To this end, the campaign has hired, in the last month or so, a full range of political pros. The task facing these men is to refurbish their man's public image, greatly tarnished by Republican attacks and recent news coverage that caught the campaign off guard.

"I personally was surprised by the timing of the attack, by the degree of the efforts the opposition parties were willing to go to," said Mr. Luce. "And, while I think Ross handled it very well, to the extent that they succeeded in making the agenda a debate on the personality of Ross Perot and not on the economy and the budget, it was good for them."

"We are going to have to move beyond that now. We have got to get Ross rolling out there with his policies, saying every day: 'Folks, here are the core issues facing this country — the economy, jobs, the deficit, health care — and, folks, you need to know what I am going to do about those issues, so let me tell you what I am going to do.'"

Until that happens, Mr. Luce suggested, it will be very difficult to move up in the polls.

Mr. Luce would not say when the campaign would be ready to take this step — originally promised by Mr. Perot in time for July 4th — other than that it would be before the end of the summer.

In the meantime, those who are critical of Mr. Perot will continue to define him in the public eye. This kind of thing has happened before, most famously to a man named Michael S. Dukakis.

Candidates Close in Poll

The three major candidates for president are in a statistical dead heat in a new NBC News-Wall Street Journal poll. The Associated Press reported from Washington. The poll gives Mr. Perot 33 percent of the vote, President George Bush 31 percent and Governor Bill Clinton 28. The poll also found that more than 60 percent of those questioned have reservations about their choices. The poll was conducted July 5 to 7 among 1,100 registered voters. There is a 3 percent margin of error.

Pay Bush \$4.99, Hear Phone Sleaze on Clinton

By Howard Kurtz
Washington Post Service

WASHINGTON — The Republican political operative who gave American voters the controversial Willie Horton television spot is back, and this time his subject is Jennifer Flowers.

Floyd G. Brown, who heads an independent group promoting President George Bush's re-election, plans to air "attack ads" next week about Miss Flowers's allegation that she and Governor Bill Clinton of Arkansas, now the Democratic aspirant to the presidency, had an affair for 12 years.

The television spot urges viewers to call a Nevada number, set up by Mr. Brown, "to hear Flowers's tapes of their intimate conversations."

The 30-second and 60-second spots combine two of the most noteworthy features of the 1992 campaign: new technology, with a phone service that the ads says will cost \$4.99 a call, and tabloid sleaze, because Miss Flowers' first sold her allegations to a supermarket tabloid.

The case of William R. Horton, a convicted murderer who raped a woman while on furlough from a Massachusetts prison, was used by the Bush campaign in 1988 to depict Michael S. Dukakis, then governor of the state, as soft on crime.

Mr. Brown is recycling a technique he used with the Horton spot, trying to parlay a modest purchase of TV time into millions of dollars' worth of free publicity.

It is also a fund-raising gimmick. Mr. Brown said he would make about a 50 percent profit on each call to the Flowers number and would use the proceeds to buy more time.

"What really happened between Bill Clinton and Jennifer Flowers?" the new spot asks. "Did he lie about their affair? Did he try a cover-up? Call and get to know Bill Clinton the way Jennifer Flowers did."

Mr. Brown said that he had bought time on CNN outlets in New York during the Democratic National Convention to air the spot.

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Surprise Choice for President's Speech Writer

By Ann Devroy
Washington Post Service

WASHINGTON — The White House has named as its new communications director and chief speech writer a 32-year-old spokesman for Kentucky Fried Chicken who is new to presidential politics, had never met President George Bush and never worked in a national political campaign.

Steven Provost, who served as a communications director for Thomas Kean, a former Republican governor of New Jersey, before going into corporate communications in 1989, was selected for the White House job after a lengthy search led by the president's chief of staff, Samuel K. Skinner.

Mr. Skinner's announcement at Wednesday's senior staff meeting generally sent a ripple of disbelief through a campaign and White House operation demoralized by Mr. Bush's fall in the polls and self-acknowledged inability to communicate a positive message to American voters.

Critics argued that the job should not be given in an election year to a person perceived to be inexperienced in the field.

Mr. Kean, however, said Mr. Provost "is a lot more than a speechwriter; he is a manager, a substantive issues person." He said that while few individuals could walk into the White House cold in an election year and perform, "Steven can and he will. He is that good."

Since he took over as White House chief of staff six months ago after the resignation of

John H. Sununu, Mr. Skinner has cited communications as Mr. Bush's major problem. He said in interviews that it would be the first problem he tackled, sending a signal that David Demarest, who held the job, was likely to be replaced. Mr. Demarest will move to the post of director of public liaison.

Since 1991, Mr. Provost has been the senior executive in charge of the image of Kentucky Fried Chicken, the world's second largest restaurant chain.

Before that, he was director of corporate communications for PepsiCo.

He wrote more than 1,000 speeches for Mr. Kean, including a well-received keynote address at the 1988 Republican convention.

On Gore, Party Line Holds True

International Herald Tribune

WASHINGTON — The selection of Senator Albert Gore Jr. as the Democratic Party's vice presidential candidate drew mostly predictable reactions Thursday from political leaders: Democrats praised the choice; Republicans scoffed.

Ross Perot, the independent who campaigned to run for president, called Mr. Gore was "an excellent choice" and "a fine man."

Among the Democrats, the notable exception was the Reverend Jesse L. Jackson, who offered a cool assessment, saying he had "deep concerns." He termed the ticket "fairly narrow" and questioned whether two Southern moderates could win support from workers.

"It takes two wings to fly, and here you have two wings of the same kind," said Mr. Jackson, who ran against Mr. Gore for the 1988 Democratic presidential nomination that Michael Dukakis won.

Ronald Brown, the Democratic national chairman, called Mr. Gore "an ideal candidate whose experience will sharply contrast to that of Dan Quayle," the current vice president.

Senator Bob Kerrey of Nebraska, who ran for the Democratic nomination this year, called Mr. Gore "a proven and tested leader" who will join with Governor Bill Clinton to offer "a new generation of leadership."

In Helsinki, Secretary of State James A. Baker 3d, whose wife is close friends with Mr. Gore's wife, said lightheartedly: "I would characterize him as a friend of mine, and having said that, I can only wish him the worst possible luck in his new endeavor." Mr. Baker, a Republican, managed the election campaign of his close friend, George Bush, in 1988.

Evelyn Malek, campaign manager for Mr. Bush this year, said the selection was "good news for us" because Mr. Gore "is going to be a candidate who moves Clinton further to the left."

"I don't think we'll have any problems in the South," Mr. Malek said.

Torie Clarke, spokesman for the Bush re-election campaign, said that picking a fellow Southerner showed Mr. Clinton to be "pretty insecure" about his prospects among Southern voters.

"Clinton chose not to serve in the military, so they chose someone with a military record," she said. "And Clinton's got a lousy environmental record, so they picked somebody with an extreme environmental record."

A political strategist for Mr. Bush, Charles Black, called Mr. Gore "an across-the-board liberal who votes with Teddy Kennedy most of the time."

Navy Sex Investigator Said to Harass Victim

By John Lancaster
Washington Post Service

WASHINGTON — A U.S. Navy civilian investigator looking into charges that two dozen women had been sexually harassed by carrier aviators in Las Vegas in September was removed from the case and disciplined after one of the chief complainants reported that he had pressured her to date him, according to navy sources.

Lieutenant Paula Coughlin, a helicopter pilot, told officials of the Naval Investigative Service that the agent assigned to her case, Laney S. Spigener, had made what appeared to be romantic overtures. These included invitations to dinner, a drive in the country and several evening telephone calls to her house.

Lieutenant Coughlin told the service officials that she was finally moved to complain about Mr. Spigener's behavior when he called her "sweet cakes" while she was reviewing photographs of aviators in an attempt to identify those who had fondled her and torn at her clothing on a third-floor hallway of the Las Vegas Hilton.

Mr. Spigener, a civilian assigned to the Naval Investigative Service office at the Washington Navy Yard, was immediately removed from the case by the agency's senior criminal investigator, Robert

J. Powers. The agent was disciplined after an internal inquiry, according to several sources.

Several navy officials familiar with the case expressed concern that the episode had occurred in the midst of perhaps the worst sexual harassment and misconduct scandal in modern military history.

"If the Naval Investigative Service doesn't have any more sensitivity in their training when they're dealing with sexual assault, there's something dramatically wrong," said Barbara Pope, assistant secretary of navy for manpower.

Ms. Pope said she felt "disgust, outrage and frustration" that any female would be subjected to this by an investigative officer of the Department of the Navy.

But she said the agent's behavior was "even more egregious in this case" because of the sexual nature of the misconduct at the Tailhook convention.

AIDS Measures in Kuwait

Reuters

KUWAIT — Kuwait has made it a crime to pass on the AIDS virus deliberately, the first Arab country to do so. The law also imposes mandatory AIDS testing on thousands of foreigners who come to work in Kuwait.

The U.S. election

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Yeltsin's Problem: Where to Send Baltic Troops

By Barry James
International Herald Tribune

President Boris N. Yeltsin's promise that Russia will accelerate the withdrawal of its military forces from Estonia, Latvia and Lithuania has not resolved the question of how Moscow intends to absorb the 130,000 troops said Thursday.

Arnold F. Runzel, chairman of the Estonian Supreme Council, the head of state, appealed Thursday to the Conference on Security and Cooperation in Europe to help resolve the problem of the continued "foreign troop presence" in the Baltic republics.

He said the presence of the soldiers, some of whom were involved last year in attempts to suppress independence moves, "is a violation of numerous norms of international law."

Mr. Yeltsin said Wednesday that Russia would begin withdrawing the soldiers this year in gratitude for pledges of help from the West.

Last week, the U.S. Senate Foreign Relations Committee approved a package of aid to Russia on the condition that Moscow withdraw its soldiers from the Baltic republics within a year.

At the security conference meeting in Helsinki, Mr. Yeltsin was not explicit about when the withdrawals would start. He said an agreement would be signed soon.

An Estonian Foreign Ministry spokesman in Tallinn said Moscow had never given a timetable for the troop withdrawal, but said exactly how many of its soldiers remained in the country.

Estonia suspended negotiations on this issue last month, accusing the Russian side of delaying tactics. The spokesman

said the suspension was designed to draw public attention to the presence of the soldiers, several thousand of whom are based in barracks a few hundred yards from the legislature.

"We consider this to be a threat to Estonian security," the spokesman said in a telephone interview. He said Estonia considered the situation urgent because of what he called instability in the former Soviet Union.

Carl Bildt, the Swedish prime minister, said at the Helsinki conference Thursday that the troops were "a potential source of instability, and even conflict."

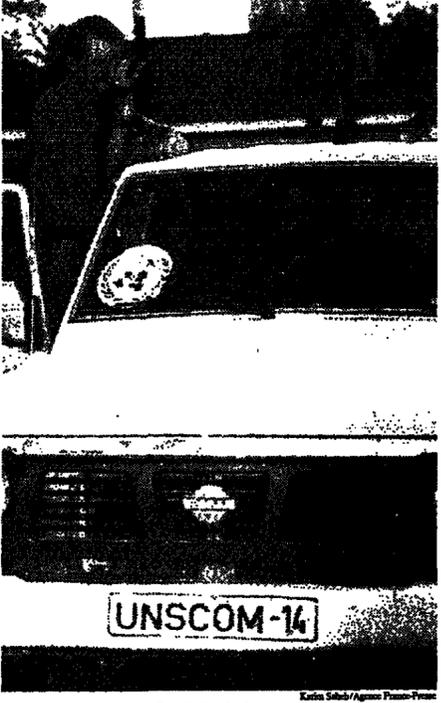
Andrew Duncan, assistant director for information of the International Institute for Strategic Studies in London, said that the main factor in withdrawing the soldiers was where to relocate them.

"The important thing in the Baltic republics is the large number of surface-to-air missiles," Mr. Duncan said, referring to the former Soviet air defense system. "They need an infrastructure, particularly radar support, before they can be put up somewhere else."

The other point, he said, is the shortage of military housing in Russia, although this is becoming less acute with a cut-back in the size of the armed forces.

In pulling its troops out of Germany, Mr. Duncan said, Russia is disbanding divisions, sending the troops to underground divisions back home and "shipping back a lot of ironmongery."

But two of the five divisions in the Baltic republics are training units, including one airborne division, he said. This role makes it difficult simply to disband them.



A UN inspector taping Iraq's Agriculture Ministry on Thursday.

Iraq Arms Standoff Persists Agriculture Minister Denies Weapons Cache

Reuters

BAGHDAD — Iraq's agriculture minister said Thursday that there were no weapons or military secrets hidden in his ministry, where UN inspectors have been in a standoff with the Iraqis through the week.

The minister, Abdul-Wahab Sabbagh, described as provocative the presence of the weapons inspectors outside his ministry.

"We denounce this action, we have no weapons to hide here," said Mr. Sabbagh.

The UN Security Council has ordered Iraq to allow the inspectors to search the ministry, but Baghdad insists that would be an infringement of its sovereignty.

Mr. Sabbagh said the ministry was one of the symbols of Iraq's sovereignty and "has no relation whatsoever with Security Council resolutions," referring to the Gulf War cease-fire terms that compel Iraq to reveal details of its weapons of mass destruction and to have the weapons destroyed.

Mr. Sabbagh said the United States was using UN inspectors to wage a war against Iraq farmers.

A senior UN official held talks with the Iraqis in Baghdad on Wednesday, but no agreement was reached.

"Nothing has changed," said Douglas Engblom, the UN head of field operations, who was dispatched from Bahrain for the talks.

Rolf Ekens, executive chairman of the special commission, told reporters he expected further action from the Security Council soon if Mr. Engblom, his chief field operations officer, could not resolve the standoff.

Sensitive Call Reported

An aide to a White House counsel, C. Boyden Gray, called an assistant U.S. attorney in late 1989 to ask about the status of a sensitive criminal case involving Iraq, an action that appears to have violated the Justice Department's policy on White House contacts with such prosecutors, The Washington Post reported.

The assistant U.S. attorney, Gale McKenzie, told a Justice Department superior a few weeks later that the White House had expressed interest in the case, and she was directed not to respond to further inquiries from the White House, department officials said Wednesday.

Lawrence A. Urgenson is former chief of the section that oversaw the investigation into an Atlanta bank that funneled billions of dollars in loans to Iraq. He said the November 1989 call from Jay Bybee, an associate counsel to the president, was unusual.

"It's our position that such communications should come through the department," said Mr. Urgenson, now a deputy assistant attorney general.

Mr. Urgenson insisted that Mr. Bybee's call did not influence the prosecutors' conduct in any way — and was not so intended. The call came three months after the bank was raided by federal authorities and a few months before Mrs. McKenzie sent the Justice Department a draft indictment.

But former Justice Department officials who supervised criminal cases characterized the call as inappropriate, saying a prosecutor might interpret even a simple request for information as pressure.

House Democrats said Wednesday that the disclosure of the White House call would bolster congressional support for appointment of an independent prosecutor. Such an appointment has been sought, to examine the administration's handling of the investigation into the Atlanta branch of Italy's Banca Nazionale del Lavoro, and to study U.S. overtures toward President Saddam Hussein before Iraq's invasion of Kuwait in August 1990.

The Atlanta investigation uncovered \$5.5 billion in "off-the-books" loans to Iraq from the Italian bank. The Agriculture Department guaranteed \$1.2 billion of the loans. Ten defendants, including several Iraqis and the Atlanta branch manager, were charged with fraud in early 1991.

Jordan Said To Cut Off Illicit Trade With Iraq

By Chris Hedges
New York Times Service

AMMAN, Jordan — The Jordanian government, which has permitted Iraq to export oil and import goods across their common border in violation of the United Nations embargo, appears to have shut down the illicit trade in the last week, according to Western officials who monitor the traffic.

Jordan's decision to stop the flow of oil and other goods across the border will further isolate Saddam Hussein, the Iraqi leader, and increase the strains on the Iraqi economy, these officials said.

Many Western diplomats see the move as one more in a concerted Bush administration effort to topple the Iraqi leader by the end of the year.

"Jordan is the Iraqi lifeline," said a European diplomat, "and if the Jordanians are really serious about this, it will be a big blow."

Jordanian officials, who have said they were complying with UN sanctions, said there was no policy change. "We've tried our best to adhere to these sanctions and implement them," King Hussein said in an interview Tuesday.

But according to a recent National Intelligence Estimate, as much as 30 percent of the cargo crossing into Iraq from Jordan was related to the embargo. Some smuggling also occurs across Iraq's border with Turkey and Syria, but it is negligible by comparison, these officials said.

The cessation of the illegal traffic, confirmed by shipping agents in Amman, will also help ease the strain between King Hussein and the Bush administration, which believes that the Jordanian monarch reneged on a promise made in March at a White House meeting with Mr. Bush.

Last month, in a display of pique, the Pentagon canceled joint military exercises and slowed military aid to Jordan.

U.S. officials, among them the assistant secretary of state for the Near East and South Asia, Edward P. Djerejian, have repeatedly said that an improvement in relations depended on Jordan's compliance with the sanctions.

The decision to tighten border controls was the result of intense lobbying by U.S. officials, including Robert M. Gates, the director of central intelligence, who met with King Hussein three weeks ago in Amman, officials said.

Eric Sevareid, Commentator, Dies at 79

By Herbert Mitgang
New York Times Service

NEW YORK — Eric Sevareid, 79, one of America's most respected broadcast news commentators, died of cancer Thursday in Washington.

Mr. Sevareid, who was recruited as a CBS News correspondent by Edward R. Murrow when both men were covering the outbreak of war in Europe in 1939, wrote elegant commentaries that he delivered in sonorous tones, even when he was being caustically witty.

In his long career, Mr. Sevareid became nationally known for breaking through the strictures of straight news reporting by pioneering editorial analysis on prime-time television.

Even at the height of his fame as a television correspondent, when his tall frame and rugged appearance invited movie offers and invitations to do lucrative commercials — which he declined — Mr. Sevareid told friends that he always considered himself primarily a writer, not a performer. He wrote dozens of magazine articles, a syndicated newspaper column and a half dozen books.

"This is the age of the journalist more than the age of the artist, the teacher or the pastor," he wrote in "This Is Eric Sevareid," a book of essays published in 1964. "It is the age of nomination because imagination cannot keep up with the fantastic daily realities."

Arnold Eric Sevareid was born Nov. 26, 1912, to parents of Norwegian heritage in Velva, North Dakota. He spent his first years on the wheatlands, but when drought struck in the 1920s, the family moved to Minneapolis.

After graduating from Minneapolis Central High School in 1930, he and a friend embarked on a canoe trip from Minneapolis to Hudson Bay. It was the basis for his first book, "Canoeing With the Cree" (1935).

After some American newspaper experience, he went to Europe in 1936. In 1938 he was hired by the Paris edition of The New York Herald Tribune and soon became its night city editor. At the same time, he worked in the Paris bureau of United Press, the wire service.

In August 1939, only weeks before the outbreak of war, Mr. Murrow called from London and asked Mr. Sevareid if he wanted to try radio reporting.

"I don't know very much about your experience," Mr. Murrow said, "but I like the way you write and I like your ideas."

Thus, Mr. Sevareid became one of "Murrow's Boys," who would enable CBS to dominate radio news for many years. He joined a group of former newspapermen turned CBS correspondents that was including William L. Shirer, Charles Collingwood, Alexander Kendrick, Howard K. Smith, David Schoenbrun, Daniel Schorr and Richard C. Hottelet.

Mr. Sevareid covered the French Army and Air Force in Belgium, the Netherlands and Luxembourg, and he was the last American to broadcast from Paris. Then he joined Mr. Murrow in London for broadcasts during the Battle of Britain.

He was assigned to the CBS Washington bureau after his return to the United States. He was back in Europe by 1944 and covered the campaign in Italy and Yugoslavia, landed with the first Americans in southern France and accompanied them across the Rhine into Germany.

His postwar assignments included stories in Washington, France, Germany and Britain. In 1964, he became a roving correspondent based in Washington. His commentaries were regularly featured on CBS Evening News With Walter Cronkite, until 1977, when Mr. Sevareid reached the company's mandatory retirement age of 65.

Robert D. Calkins, 89, an economist and educator who was president emeritus of the Brookings Institution, died Wednesday in Silver Spring, Maryland, of pneumonia.



Eric Sevareid's voice was grave even when he was being witty.

Rabin Fashions His Coalition But He Could Still Be Undone by the Pullout of a Partner

By Clyde Haberman
New York Times Service

JERUSALEM — Yitzhak Rabin put together a working coalition Thursday night for the new Israeli government that he will lead, one committed to rapid progress in Middle East peace negotiations.

The alliance that Mr. Rabin's Labor Party formed was not as broad or as politically balanced as he had hoped, and negotiations were expected to continue.

So were discussions on many key cabinet assignments, which have yet to be settled among Labor politicians and their small-party allies. Senior Labor officials predicted that former Prime Minister Shimon Peres would be named foreign minister but that Mr. Rabin would retain personal responsibility for the peace process.

It was not clear who the defense minister might be, and there was speculation among his Labor colleagues that Mr. Rabin, who held the job in the 1980s, might keep the post for himself and designate someone else to run day-to-day operations.

Despite these lingering uncertainties, Mr. Rabin scored an important success in reaching an assured parliamentary majority, something that Labor was not able to achieve on its own in the June 23 national election. And by the normal, creaking standards of Israeli coalition-building, he did it with breakneck speed.

He signed agreements with the leftist Meretz movement and with the Shas religious party, giving him control over 62 of parliament's 120 seats. In addition, two Arab parties are expected to support the coalition even though they will remain outside the government.

"The election results brought about an atmosphere of change that the people are looking for," Mr. Rabin said.

There was a chance that he would also be joined before long by another party of rigorously Orthodox Jews, United Torah Judaism, which has reservations about this alliance but has no desire to sit outside, cut off from guaranteed government funds for its schools and other institutions.

Assuming that it does say yes to him, Mr. Rabin will be able to go to the opening session of the parliament Monday with 71 seats in his pocket: Labor's 44, Meretz's 12, Shas's 6, the Arabs' 5 and United Torah's 4.

It means a healthy majority for the course he has pledged to set for Israel, based on speed-up peace talks, curtailed settlement-building in occupied territories and a shift of state money from the territories to social and economic needs in Israel.

Still, the deals he struck were not entirely what the Labor leader had wanted. Since June 23, he has looked for a sweeping left-right religious alliance that would put him squarely in the middle, unquestionably dominant and unable to be brought down by any single

party. With the numbers that he has now, that is not the case.

If Meretz were to walk out on him suddenly, he would lose his majority. And that party stated for the record Thursday night its intention to assert its own agenda, which differs from Labor's on important issues, including its acceptance of Palestinian "self-determination" and peace talks with the Palestine Liberation Organization.

Mr. Rabin is especially eager to bring in Tsomet, an eight-seat party on the far right, which disapproves of his willingness to exchange land for Arab assurances of peace but which finds common points on other issues. Despite obvious differences on critical questions of peace and security, Labor, Meretz and Tsomet appeared to have found compromise formulas that would enable them to live together in uneasy harmony.

But seemingly cordial talks with Tsomet suddenly turned sour in the last two days over the insistence of that party's leader, Rafael Eitan, that he be named education minister, an important position with considerable authority over school curricula, funds and cultural matters. When Mr. Rabin promised the post to Shulamit Aloni, head of Meretz, Mr. Eitan announced that if he did not get the Defense Ministry as compensation he would walk away for good.

Still, it may be that Mr. Rabin and Mr. Eitan, both blunt-talking former army chiefs of staff, will ultimately find a compromise.

CSCE: A Rebuff on Intervention

(Continued from page 1)

whether it will be necessary. The conference will sign a declaration on Friday that seeks to expand its role in keeping the peace in Europe now that the fall of communism has removed the Soviet-American nuclear balance that once played that role.

It will include the establishment of a new high commissioner on national minorities, procedures for reporting on burgeoning flash-points and the scheduling of a conference in Geneva in October to "negotiate a comprehensive and coherent set of measures" to settle disputes peacefully.

Addressing the conference, President Vaclav Havel of Czechoslovakia, said the world had "two basic options."

"On the one hand, we could wait to see what else is going to happen and what new surprises the dramatic developments in the post-communist pot might still have in store for us and what is going to put off any major decisions until we know how it all ends up," he added. "The other option is to take this moment as a great historic challenge for our generation."

When it came his turn to speak in the long parade of leaders, Mr. Bush said the conference's response to "the nightmare in Bosnia" would be a test of whether it will have "real meaning" in a new Europe.

"We should see to it that relief supplies get through, no matter what it takes," Mr. Bush said. "Second, we should see to it that the UN sanctions are respected, no matter what it takes. Third, we should do all we can to prevent this conflict from spreading. And fourth, let us call with one voice for the guns to fall silent through a cease-fire on all fronts."

Mr. Bush said nothing Thursday about reversing Serbia's incursions into the territory of Bosnia-Herzegovina, the former Yugoslav republic now recognized by the United Nations as independent.

In this way, the Balkan crisis seemed to underscore the European security conference's difficulties as its members try to make a cold war institution able to cope with a time of real war on the Continent.

The document to be signed on Friday talks of creating a "peacekeeping" wing of NATO, the Western European Union and other European military organizations that the conference could call on in times of crisis. But Mr. Bush was resisting any effort to make that a "peacemaking" operation that would intervene between warring armies.

The Bush administration was clearly concerned that such efforts would spark public opposition by drawing the United States into warring conflicts. In the case of the Balkans, senior American officials have said Washington does not have the kind of "national interest" that it had in Kuwait.

Still, the NATO countries are being drawn deeper into the Balkan war by proposing to expand the current airlift in Bosnia to include ground convoys and to use military force if they come under attack by Serbian forces.

With that prospect looming, the line between "peacekeeping" and "peacemaking" seems increasingly blurred, and the dilemma seemed to weigh on Mr. Bush's mind as he mixed up his words in his address to the conference.

"Let us decide here and now to develop a credible Euro-Atlantic peacemaking — peacekeeping — capability," he said.

BARCELONA: Not as Dreary

(Continued from page 1)

million. These, too, are now part of city life. Modernization of the 60-year-old Olympic Stadium was completed in 1989 and, since then, it has been in regular use.

The new Palau Sant Jordi indoor stadium has also been used for everything from rock concerts to political meetings since it opened 21 months ago.

"All the installations have been tested in competition," said Pasqual Maragall, Barcelona's mayor and president of the Olympic Organizing Committee. "Everything is ready. Now we just have to deal with the unexpected, you know, like a sponsor who doesn't pay or a boat that doesn't arrive."

For Barcelona's 4 million people, the Olympics are really a sort of giant housewarming party. They have been through extraordinary discomfort during construction, and they are now ready to show off the results. But most of all they are looking forward to enjoying the new city.

In joining Barcelona, architects and urban planners could not start from scratch. Rather, they faced a complex city with a medieval Gothic center, an orderly section known as the Eixample built in the 19th century and an endless sprawl of industrial growth between the 1950s and 70s.

Working in their favor, from 1979 to today, they had two mayors, Mr. Maragall and his predecessor, Narcis Serra, who were willing to give them a free hand.

"There must be few cities in the world where architects have wielded so much power," said Santiago

Roldan, who heads Hoisa, a state-owned construction corporation.

One of these was Mr. Bobigas, a jovial 66-year-old, who recalled that the first stage of transforming Barcelona began in 1980, six years before the city was chosen as site of the 1992 Olympics.

"We decided to abandon the utopia of a great urban system in favor of starting with neighborhoods," he said.

This meant fixing up plazas and playgrounds, planting trees, installing sculpture and restoring houses.

"The strategy was to act in a very specific way in each neighborhood," he said. "And by improving one point, this had the effect of radiating quality and identity around it."

With Barcelona preparing its bid for the 1992 Games as early as 1981, however, it was always hoped that this stage of urban renewal would be followed by something far more ambitious, with the city addressed as a unit rather than the sum of its neighborhoods. And since 1986, this has happened.

Apart from releasing funds, the Olympics proved doubly useful because the city could plan the Games in terms of its broader needs.

Most ambitiously, though, the city decided that by placing the Olympic Village near the rundown district of Poblenou, it could renew Barcelona's entire northern ocean front. Today, two high-rise buildings, a hotel and an office building, stand between the Olympic Village, the new Olympic Park, while a five-kilometer stretch of beaches is now accessible.

GOPE: Clinton Picks a Southerner as Running Mate

(Continued from page 1)

led global Marshall Plan to cut greenhouse gases. Among his goals is the elimination of the internal combustion engine over a 25-year period.

On military affairs, Mr. Gore is considered to be among the more conservative Democrats in Congress. He has voted against bills to cut North Atlantic Treaty Organization forces and canceled the B-2 bomber.

He supported the White House on reflagging Kuwaiti oil tankers in the Gulf during the Iran-Iraq war while many in his party denounced it, and he voted with the White

House to authorize the use of force after the Iraqi invasion of Kuwait in 1990.

Later, Mr. Gore sharply criticized the president on his handling of the war's aftermath and defended fellow Democrats who had opposed the immediate use of force.

Mr. Gore's wife, Tipper, has been outspoken as well. She is best known for having joined with Susan Baker, the wife of the secretary of state, in pressing the record industry to categorize and label records as a warning of obscene or violent lyrics.

SONY: It's the Morning After the Hollywood Wedding

(Continued from page 1)

well as Matsushita's high-level executive turmoil, coupled with the soft market in Japan for consumer electronics.

It is Sony that has aroused the most attention, largely because the company spent so extravagantly when it arrived in Hollywood. Aside from the astronomical purchase price, Sony shelled out at least \$1 billion, and possibly far more, to put the people it wanted in place at Columbia.

Sony paid Warner Brothers a reported \$500 million to buy Peter Guber and Jon Peters out of contracts so that they could run the Sony studio.

Moreover, Sony's free-spending ways in recent years resulted in some extraordinary deals, including a five-year exclusive arrangement with the writer and director James Brooks said to be valued at \$65 million. Sony also has lucrative arrangements with, among others, Francis Ford Coppola, the Zucker brothers ("Airplane," "Naked Gun") and Penny Marshall, and is

working on a megadeal with Barbra Streisand.

Essentially, numerous deals have been set, money spent and the returns have not yet come in.

"Sony and Matsushita did not understand how quixotic and cyclical the entertainment business can be," said a major Hollywood producer who works closely with the Japanese. "Are these companies making the kind of returns they expected to make? Absolutely not. Should they be concerned? Absolutely."

In surveying their big movies of the past two years, Sony executives insist that "The Prince of Tides" and the big-budget "Hook" will eventually earn profits because of their international appeal. But "Bugsy" is considered a loser, and the executives acknowledge that the company "crash-landed" on the 1991 "Hudson Hawk" (a loss of at least \$20 million) and last year's "Radio Flyer" (\$40 million to \$50 million gone).

Currently Columbia's hopes are pinned on the Penny Marshall comedy "A League of Their Own,"

which has displayed strong box-office appeal so far, but needs to maintain its strength through the summer if the studio is to earn back its costs.

Mark Canton, chairman of Columbia Pictures, which has an array of big-star films coming out in the next few months, brushed aside all the talk about Sony's holding back on development of new films.

"It's patently not true to say we've stopped developing," he said in an interview. "There's absolutely no mandate whatsoever from Sony about anything other than to live off the budget I accepted."

But Mr. Canton said he had told Michael Nathanson, the president of production, that the company seemed to have plenty of movie scripts in its stockpile.

"I said to Michael, 'If I were you, I'd take a deep breath and get your people on what's still here,'" said Mr. Canton.

"Look," he said, "if we see something that we want, we'll go after it, but if it's marginal, we won't."

Mr. Canton, like most executives in Hollywood, expresses optimism about the future.

COUP: Plot to Kill

(Continued from page 1)

tempt. Rather, some government specialists think, the reported coup effort appears to have led to a general crackdown against anyone whose loyalty might be suspect.

According to one recent intelligence report, no one is now allowed to be armed in Mr. Saddam's presence, including his sons.

Although the State Department has said it has no definite proof that there was a coup attempt, Defense Secretary Dick Cheney has said his "personal guess" is that it did take place.

The administration has sought to portray the reported coup attempt as a further indication that Mr. Saddam has a tenuous hold on power. But an American specialist, who asked not to be identified, drew the opposite conclusion: He asserted that if the coup reports are accurate, they show that the Iraqi leader's security agents are effective at detecting opponents.

POLICY: U.S. Wavers

(Continued from page 1)

tarian effort," and adding: "Safe access by road to Sarajevo, as well as to other parts of Bosnia-Herzegovina, in need must be guaranteed."

A far deeper disagreement concerns the purpose of such aid: Mr. Cheney has described the Balkan conflict as "an internal civil war," not a "cross-border operation" or a "threat to the international order," and he has specifically rejected use of U.S. military force to determine the outcome.

But the predominant State Department view, which also has its adherents in the Pentagon, cites Bosnia-Herzegovina's recognition as an independent state and holds Serbia mainly responsible for the seizure of two-thirds of the territory in Bosnia-Herzegovina.

In this view the Balkan conflict is indeed a threat to the international order, and U.S. policy should address it in those terms as well as in terms of human suffering.

Those arguing for greater intervention favor intensified efforts to cut off the Serbian government politically and economically. They regard an expanded humanitarian mission as part of an overall effort to frustrate Serbia's aims.

Because Serbian forces have liberally starved ethnic Muslims and Croats in Bosnia-Herzegovina and driven them from their homes, these officials say, humanitarian aid can be used to help stop Serbia from consolidating its gains.

Defense officials say Mr. Cheney and General Colin L. Powell, chairman of the Joint Chiefs of Staff, fear that course would lead to direct military confrontation and a quagmire.

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Herald Tribune

Munich: Failure Again

Blame It on the French

No issue has more far-reaching implications for the future prospects of the world economy than the successful conclusion of the Uruguay Round... The aim... should be to complete the Round before the end of 1991.

The European Community's refusal to dismantle protectionist farm policies. The Europeans are the only countries to reject a proposed solution to the farm dispute, the Dunkel plan, as the basis for final negotiations.

Seven, but Not a Group

Since few of the annual economic summit meetings have produced visible results, the modest achievements of the one just ended in Munich are not surprising. But this time the circumstances were different. Munich was the first major conference of the rich industrial democracies since the collapse of the Soviet Union, and there has been much talk of a new world order.

lobbies with the kind of compromise on agricultural export subsidies that the trade talks seem to require. None of the men who head those seven governments is in a strong position at home, and the prevailing inclination at Munich was to avoid risk.

An Abortion Litmus Test?

For more than a decade, critics have accused Presidents Ronald Reagan and George Bush of applying a litmus test with regard to abortion in the selection of U.S. Supreme Court nominees.

choose Supreme Court justices who share his values and, to a certain extent, his political philosophy. No one is surprised when Republican presidents appoint justices thought to be more conservative than the jurists chosen by Democrats.

Other Comment

Waterloo in Munich

The German chancellor will have to live with the fact that "this" summit conference in Munich was a failure. As for President George Bush, who has to worry about reelection, the Munich Waterloo could be the last straw.

very heart of its socialist foundations. The party marked its anniversary by vowing to concentrate on a revolutionary task: liberating the economy. Of course, this is proof of Deng Xiaoping's ascendancy over hard-liners wary about how his hard-driving reforms will sit with the party's ideological principles.

Deng's Birthday Present

China's Communist Party turned 71 in remarkable fashion — spearheading an economic reform program that challenges the

Will the capitalist-style reforms endure? All of Asia awaits the answer, none more so than Hong Kong which, five years from now, will revert to Chinese rule.



'There's a crisis in Yugoslavia! Step on it!'

For an 'Economic Security Council'

IN THE WAKE of the flop of the Munich economic summit — the third post-Cold War summit failure in a row — the question inevitably will be asked: Should these high-profile heads-of-government meetings be scrapped? It is a reasonable question, but the answer is a firm "No."

stacles that for the foreseeable future will bar the admission of Japan and Germany to the Security Council. Clearly, a recognition of the enormous growth of Japan and Germany is overdue, and one way in which economic summits can be made more viable is to acknowledge that the global economy is no longer dominated by the World War II victors, the United States, Britain and France.

This Troublesome Stagnation Poisons the Political Atmosphere

WASHINGTON — Hanging over the economic summit in Munich was the unhappy prospect that the global economy has entered a prolonged stall. None of the leaders of the major industrial nations was free of worry.

building Eastern Germany has pushed up German interest rates and those of neighboring countries. Japan has promised a spending package of at least 6 trillion yen (about \$50 billion) to spur its economy.

cuts in interest rates by the Federal Reserve (23 times since mid-1989) have only modestly spurred the economy. Borrowers are reluctant to borrow, and lenders to lend. Everyone is timid.

also bad news for the new governments of Eastern Europe and the former Soviet Union (and other developing nations), which need an expanding Europe as a market for exports and as a source of aid.

Kohl Owes Germans Some Answers

BONN — At first glance everything seems to be fine in Germany these days. Unemployment in East Germany has declined, though it is up slightly in the West.

By Jochen Thies the refugee party in the '50s, bringing together disaffected members from the big parties in the West and members of the Party of Democratic Socialism, successor to the old Communist Party of the East.

Bypassing the Khmer Rouge

THE IMMENSE diplomatic effort to end Cambodia's two decades of agony is threatened by Khmer Rouge obstruction. The delicate choreography of the five permanent members of the United Nations Security Council is being disrupted by the Khmer Rouge's unwillingness to surrender its arms.

China, the only country that might object, owes the Bush administration something for supporting favorable tariff treatment, and it has been distancing itself from Pol Pot, the Khmer Rouge leader.

The people deserve the truth about unification, and about Europe.

growing resistance among voters to paying bills yet to come. Some blame Chancellor Helmut Kohl for the problems of East and West. They say he missed his moment — he should have delivered a stirring blood-sweat-and-tears speech to brace his fellow Germans for the coming challenges.

ing some East German towns looking like week-day ghost towns. The Kohl government needs a grand strategy, because debts are rising dramatically. For now, the costs of building East Germany can be financed by private savings in the West, which last year stood at 230 billion Deutsche marks.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: British Persuasion

TANGIER — The last few days have been full of incidents and dangers to Europeans at Fez. Influenced by the Christian-hating Basha Bushta El Bagdadi the Sultan undertook, with very cautious results, to intimidate Sir Charles Euan Smith, the British Minister, now here on a mission to negotiate the long-wanted commercial treaty.

1917: German Doubts

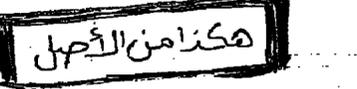
PARIS — Germany's political situation has become so seriously involved that it merits close attention. Matters are reaching a head, as shown by the events of the secret sitting of the Grand Committee of the Reichstag on Saturday, when Herr Erzberger, the Catholic leader, springing a surprise

1942: Boost for de Gaulle

WASHINGTON — [From our New York edition:] The American Government extended military recognition today [July 9] to the Free French forces of General Charles de Gaulle with the appointment of military and naval representatives to "consult" with the French National Committee in London regarding the prosecution of the war.

1942: Boost for de Gaulle

On his general expression to the party, gave expression to the general uncertainty prevailing in Parliamentary circles regarding the military situation. He stated that this uncertainty extends through the widest circles of the German people, who demanded that the Government should tell them clearly the truth about the effects of the submarine warfare.



OPINION

Bush's Iraq Policy Was No 'Mistake'

By Lealie H. Gelb

NEW YORK — Did President George Bush's policy toward Iraq before its invasion of Kuwait involve law-breaking? Maybe. And maybe some official cover-up afterward. In any event, it would take far too long for an independent counsel to get to the bottom of the matter, and the results would be problematic.

Officials also believed Saddam was evil. A typical State Department memo from 1988 said, "His worldview is that of a conspirator who believes that power comes from the barrel of a gun."

Knowing or at least worrying about all this, President Bush nonetheless approved new farm credits and dual-use technology sales for Iraq and opposed congressional economic sanctions.

Iraqgate: Act Now to Avoid a Whitewash

By William Safire

WASHINGTON — In 1988, Sherman Adams, President Dwight Eisenhower's chief of staff, improperly called the Securities and Exchange Commission to inquire about the status of an investigation into his friend Bernard Goldfine; that influential call led to scandal and prosecutions.

On Nov. 6 the CIA reports Iraq is using the Atlanta bank loans to purchase "military-related technology," through the politicized CIA summary concentrates on the effect of publicity about this on U.S. Iraqis.

When the president wants to influence the case, he has his Office of Legal Counsel call the local prosecutor from the White House.

LETTERS TO THE EDITOR

Czechs and Slovaks

Regarding "Life in a Zoo or a Jungle" (Opinion, July 1) by Miles Forman: For many Czechs and Slovaks living in their country, Mr. Forman's metaphor will seem too far-fetched, and his conclusion that a compromise is impossible totally wrong.

children's being kept out of school to work, or working in hazardous occupations, I wonder whether any studies have been done on whether they suffer more injuries, or worse injuries, at work than at play.

Injuries at Work and Play

Regarding the report "More U.S. Kids at Work, and in Worse Conditions" (June 22): While I am not at all in favor of

From the age of 7, I worked on Saturdays in my mother's store. I learned to add, subtract, make change and deal with people. I feel that it was good for me, and it kept a child with working parents off the streets and out of trouble.

Dithering Over Yugoslavia

For shame! The leaders of the Western countries have dithered over Yugoslavia for a full year. They should all be issued Chamberlain umbrellas. The lessons of 1938 apparently have not sunk in very far.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

This Take-a-Lover Chatter Overlooks the Bottom Line

By Barbara Probst Solomon

NEW YORK — Only in America has the fate of marriage been so linked to the idea of perfect love. In the presidential campaign an attempt has been made to nail the fate of the political system to the same ideal.

Unlike Americans, Europeans prize marriage by building in all sorts of safety nets. But one cannot take a conservative European view of marriage — but band plus lover — and dish it up as if latest progressive thinking in a mobil divorce-based society such as America.

MEANWHILE

tal love affairs of married women, "The Erotic Silence of the American Wife," which such leading writers on feminist issues as Gloria Steinem and Gail Sheehy hail as a revolutionary breakthrough.

Even Simone de Beauvoir, one of the first women intellectuals to use the media to influence society, picked an option in her traditional society.

Books and magazines that use a vocabulary that deludes women into thinking themselves rebels and outlaws, on the cusp of some new freedom, misperceive our basic situation. A defect in the early thinking of the women's movement was its tendency to liberate women not for life but for life in the counter-culture: when that life was over, many women found themselves in limbo.

Forget about Anna Karenina, whose society ostracized for taking a lover who threw herself under the train, and forget Hester Prynne, who was forced to wear the adulteress' red A over her heart. We should turn to Zola, who chronicled the plight of real women in a real world. Zola understood that women are not outside society but fundamental part of it.

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Summertime, And It's Jazz in Japan



Nippon Television News

The Rossini Boom Highlighting His Serious Side

By David Stevens
International Herald Tribune

PARIS — This year is the 200th anniversary of Gioacchino Rossini's birth — or the 48th if one reckons that he could only have birthdays in the years with a Feb. 29. It is a rich opportunity not only to delight in the eternal freshness of "The Barber of Seville," but to drive home the rich variety of his output and its importance for 19th-century opera.

A generation or so ago it seemed that Rossini was known by hardly anything but "Il Barbiere," except perhaps in Italy, and the modern revivals of such comic masterpieces as the sentimental and subtle "La Cenerentola" and the zany "L'italiana in Algeri" counted as major rediscoveries. As for the serious operas, they were mostly hearsay. There seemed to be virtually nothing in the standard repertory landscape between the "Barber" and Donizetti's "Lucia di Lammermoor."

Yet the majority of Rossini's operas have serious subjects and for many of his contemporaries he was primarily a composer of opera seria. From 1815 to 1822 he was the music director of the theaters in Naples, where he composed such works at the rate of better than one a year, all the while tossing off pieces for other cities (including "Barber" and "Cenerentola" for Rome).

That Naples had a venerable operatic history, an excellent orchestra and singers, and a sophisticated public was important for the development of his style, and scholars point out that his Neapolitan works laid the groundwork for the future development of opera in Italy.

After bidding farewell to Italy in 1823 with "Semiramide" in Venice, he moved to Paris and set about adapting himself to new musical surroundings. As director of the Théâtre Italien — a house that made Paris a major venue for Italian opera — he revived some of his Italian works, had much to do with promoting the careers of Donizetti and Bellini, and launched Meyerbeer in the French capital.

FOR the Opéra, where language and style were French, he revised a couple of his Neapolitan works, wrote the comic "Comte Ory" and finally, in 1829, laid the groundwork for French grand opera with "Guillaume Tell."

Then, silence, at least as far as opera was concerned. After 36 operas (or more, depending on the accounting method) in 19 years, he called a halt. He had a contract to compose other works for the Opéra, but he never did.

Was it exhaustion, a feeling that times were passing him by, ill health, financial security, political upheaval, or a combination of these. It was not a lack of musical invention, as is

demonstrated by the intimate works that he produced almost until his death in 1868.

Since World War II, musical archaeology has done much to make Rossini's operatic legacy reappear in the round. The Fondazione Rossini was created about 50 years ago, based in his native city of Pesaro. Under its umbrella, and with the leadership of such musicologists as Alberto Zedda and Philip Gossett, the project of a complete critical edition was begun 20 or so years ago, starting with Zedda's massive correction of "Il Barbiere di Siviglia" in the late 1960s.

The operas thus restored have been widely performed and recorded, particularly at the Pesaro Festival, begun in 1980, where Rossini reigns as supreme as Wagner in Bayreuth. Zedda was recently named artistic director of La Scala, where he joins the theater's music director, Riccardo Muti. It is fair to assume that this has some significance for the future activities of Italy's leading lyric theater.

AMID the blizzard of bicentennial events, La Scala's major contribution was its new production of "La Donna del Lago," one of Rossini's Neapolitan creations, first done at the San Carlo in 1819, and one of the first operas to be based on a Sir Walter Scott poem. For it, Rossini wrote a large-scale Romantic score, impregnated with a sense of place (as was "Guillaume Tell" later), and elaborate in its vocal, instrumental and choral demands.

Werner Herzog staged it, and with his designers, Maurizio Scifo (sets) and Franz Blumauer (costumes), created an imaginary Scotland of primeval ruggedness, without kilts or tartans. The cast would be hard to improve on today for mastery of expressive coloratura, with Martine Dupuy in the trousers role of Malcolm, Rockwell Blake as the amazingly benevolent James V, June Anderson as Ellen, Chris Merritt as the bellicose Roderick and Giorgio Surjan as Douglas. Muti conducted with expansive lyricism.

Paris, which during the 1980s revived the composer's major French works, had nothing special to say for the bicentennial. But opera was restored to the boards of the Palais Garnier with a "Barber" borrowed from Amsterdam in Dario Fo's taut and over-the-top staging, and with a cast notable for the masterful and musical Bartolo of the veteran Louis Quilico and the promising Rosina of Gloria Scalchi. The Opéra Comique imported, by way of the Cologne Opera and the Schwetzingen Festival, four one-act *opere* written for Venice at the very beginning of Rossini's career: "La Cambiale di Matrimonio" and "Il Signor Bruschino" are peopled with stock characters, hilariously executed in Michael Hampé's stagings by a team of singing comedians that included Alberto Rinaldi, Carlos Felber and John Del Carlo.

By Steven Brill
International Herald Tribune

TOKYO — When Toshinari Koinuma traveled to the Newport Jazz Festival 25 years ago as manager of the Japanese big band the Sharps and Flats, he discovered that Japanese concepts of jazz were still in the dark ages. Lying flat on his back under a blue sky, he listened to performances by the Miles Davis quintet and the Duke Ellington Orchestra and realized that jazz could be given a positive spin.

"In Japan the image of jazz was alcohol, drugs and smoke," he said. "I decided to create a Japanese jazz festival outdoors, in a bright place, and not to use the word 'jazz.'"

It was a 10-year slog against city ordinances, finances and lousy infrastructure, but in 1977 Koinuma's effort led to Japan's first big outdoor jazz festival, Live Under the Sky.

In two weeks, Live Under the Sky will celebrate its 15th anniversary, a highlight of the Japanese jazz festival season. Over the six weeks from mid-July when the cool rainy season gives way to the outdoor sauna of summer, there will be a total of 55 jazz festivals, according to Swing Journal, the Japanese jazz monthly that is the world's biggest and glossiest.

Thanks in part to Koinuma, now 57, Japanese concepts of jazz have come out of the dark ages. Indeed, Japanese money has been

snapping up U.S. jazz record companies since the 1970s and producing records that have helped Japan become the world's best spot for collecting. The nation is second only to the United States as a market for jazz, and musicians (at least those from overseas) are accorded a status normally reserved for "night artists," drawing fat fees and appearing often on TV and in commercials.

Yet while Japan accords cash and respect to jazz, it finds it nearly impossible to overcome its own obsessions with order and control to create an atmosphere conducive to improvisation and spontaneity. Moreover, with corporate sponsorship slacking off this year due to the recession, and next to no state support to offset the sky-high costs for flying bands and tons of equipment across the Pacific, promoters are averse to taking risks. It's no surprise that they organize short, orgiastic festivals peopled by a limited pool of name-brand artists, rather than longer events such as many in Europe and the United States which serve to introduce less well-known acts to large audiences.

In this hierarchical society, music directors are unable to say no to sponsors bent on turning the festival grounds into an eyesore of placards and to restrain overzealous TV directors, who at one festival insist on running a camera crane along a track in front of the stage. (Things may be improving: A decade ago, a performance by the late Beany Goodman at the Aurex Jazz Festival was

marred by the whirring of a whirlybird swooping overhead to get an aerial shot for television.)

"It's business, and the only thing that matters is money," says Didier Boyet, a Tokyo-based French jazz promoter. Ironically, his funding from Paris, used to introduce modern European musicians here, is one of the few sources of public support for jazz in Japan.

Koinuma's policy at Live Under the Sky is to find room for at least one act that is not a proven draw. Otherwise, the festival is populated by megastars, which this year include Herbie Hancock (making his ninth appearance this year with V.S.O.P.), Pat Metheny, Larry Coryell, Marcus Miller and Dave Sanborn. The concession to less well-known talent this time is an all-Japanese group led by the percussionist Masahiko Togashi. They will appear July 25 and 26 in suburban Tokyo and later tour to five other Japanese cities and Hong Kong (Aug. 5-7).

JAPAN'S two other major festivals featuring foreign musicians have less of an all-star feel, but were conceived with promotion in mind. The Newport Jazz Festival in Madarao (July 31-Aug. 2) was started to fill rooms at resort cottages in this town in the Japanese Alps several hours northwest of Tokyo by train. It's the most relaxed and least congested of Japan's big jazz festivals, but also the most middle-of-the-road musically.

This year's acts, booked by George Wein, include the New York Jazz Giants, Maceo Parker, the Gil Evans Orchestra, the Charmaine Neville Band, Dr. John and Roy Har-grove.

The Mt. Fuji Jazz Festival with Blue Note (Aug. 21-23) is Japan's biggest, attracting more than 40,000 over three days to a specially built stage alongside Lake Yamanaka, near the foot of Mount Fuji. The festival began in 1986, one year after the resurrection of the Blue Note label, with the idea of promoting the label's name and artists in Japan.

In early years, the festival was dominated by musicians who had recorded for Blue Note, but in recent years the percentage has slipped as older artists have died or retired.

This year's line-up includes Freddie Hubbard with the Cedar Walton Trio, Bob Beiden's Blue Note Big Band, Dianne Reeves, Don Pullen, the Brecker Brothers Band, the Terumasa Hino quartet and the Cuban pianist Gonzalo Rubalcaba. There's also the addition of blues for the first time, with appearances by Albert Collins, James Clay and David Newman.

"Japan has the money, so it's not impossible to have longer and less commercial festivals," Koinuma said. "But unfortunately, in Japan the assessment of festivals is based not on the music but on the number of people who attend."

THE MOVIE GUIDE



Shiko Funjatta
Directed by Masayuki Suo.
Japan.

Surprise summer hit with the young folks, this college comedy (dubbed "Sumo Do, Sumo Don't" for abroad) stars teenage heart throb Masahiro Motoki and is all about trad Japan turns mod. Hunky Motoki can't graduate unless he revives his school's defunct sumo club. This he does with the help of pretty, spunky Misa Shimizu, and Japan's oldest sport makes a comeback. This gentrification of sumo is the subtext of an otherwise carefully zany college comedy. And since "Discover Japan" is the flavor of the season, the youngsters have been flocking to the theater.

(Donald Richie, IHT)

A League of Their Own
Directed by Penny Marshall.
U.S.

In 1943, at the height of World War II when women well over voting age could still be called

girls, Philip K. Wrigley of the Chicago Cubs and other prominent baseball figures got together to form the nonprofit All American Girls Professional Baseball League. It was a stop-gap idea to fill the vacuum if, as seemed possible, the major league clubs lost too many of their players to the armed services. As it turned out, the major leagues never had to shut down, but the women's league survived until 1954. Taking this footnote to baseball history, Penny Marshall and the screenwriters, Lowell Ganz and Babaloo Mandel, have made "A League of Their Own," which must be as rare as a day in August when the sky is clear, the humidity low and the temperature hovers in the mid-70s. The film is one of the year's most cheerful, most relaxed, most easily enjoyable comedies. It's a serious film that's lighter than air, a very funny movie that manages to score a few points for feminism in passing.

The film's focus is the Rockford (Illinois) Peaches, whose star, Dottie Hinson (Geena Davis), is a crackpot catcher who is so beautiful she winds up on the cover of Life magazine. Keep-

ing things lively in center field is Mae Mordabito (Madonna), informally known as All the Way Mae. Not since "Desperately Seeking Susan" has Madonna had a role that fits her public personality as well as Mae, an opinionated, operational fighter who's not about to pay too much attention to training rules when it comes to men. It's not a big role, but it is choice. Coaching the Peaches is Jimmy Dugan (Tom Hanks), a former major league hero disabled by booze and unreliable knees. His Jimmy Dugan is a priceless, very graceful eccentric. With his work here, there can be no doubt that Hanks is now one of Hollywood's most accomplished and self-assured actors.

(Vincent Canby, NYT)

Boomerang
Directed by Reginald Hudlin.
U.S.

Eddie Murphy's "Boomerang" was intended to be a nifty bit of damage management for the box office attraction's faltering Leather Eddie image, an exercise in megastar spin control.

And, certainly, the movie does its intended job. And more. "Boomerang" is the funniest, most sophisticated movie of Eddie Murphy's career. His character is a high-rolling marketing executive named Marcus. Everything he surveys is at his command; it's all his for the taking, especially the women. And in this department, Marcus is something of a master. Everyone falls for him, but that's where the trouble begins. No matter how perfect his conquests, as soon as he has them he loses interest. Nobody is good enough, until he meets Jacqueline (Robin Givens), a drop-dead for who becomes his boss after a corporate takeover, and who refuses to become another notch on his belt. Sure, she sleeps with him, but afterward she's up and out the door. "Boomerang" is the story of a womanizer's comeuppance. Director Hudlin has a gentle touch that brings out the boyish sweetness in Murphy. The film is anything but tame; it's a sexy, irreverent, frank-minded picture, but the tone of the sexual politics here is light and unisistent.

(Hal Hinson, WP)

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At Stasi Flea Market, Kitsch Is a Bargain

By Ian Johnson

BERLIN — At 7:30 A.M. every Thursday, a line of eager bargain-hunters begins forming outside an unmarked warehouse in a crumbling eastern district of the city. Some people grin and joke, others have the cool patience of the seasoned professional. All are waiting to buy Stasi booty.

The goods are culled from some of the hundreds of offices and warehouses once used by the Stasi, East Germany's secret police and intelligence agency. If an interesting office has been cleared out during the preceding week, then the Thursday flea market holds unexpected surprises and bargains. If not, it resembles a junkyard of East-bloc detritus.

But at least early in the day there is bound to be something to attract the casual shopper. Good maps of East European countries and cities can be had for \$1 each, although buyers of East Berlin maps have to be willing to put up with large blank spaces for decadent "Westberlin."

Visitors to the Brandenburg Gate who are tempted to buy army hats and equipment would also do well to visit the market, which has caps for only \$5, as well as jackets, rubber boots, binoculars and other accessories

for the well-dressed National People's Army officer.

For those who always wanted to be a Stasi informer, or know someone who deserves an award for old-time's sake, the market has pink award certificates made out "To Comrade —, thanks and recognition for active social work." Others commemorate "the completion of our soldierly class mission."

The book selection, however, is a disappointment. There are no how-to spy manuals, and all of the good titles seem to have been picked clean long ago or are being sold in more serious second-hand bookstores.

The paintings, on the other hand, are pure East German kitsch that are cheap enough to be good gag gifts. Marx and Engels, lonely hunters, farm scenes and banal landscapes cost between \$10 and \$20. For all its power and terror, the Stasi doesn't seem to have been staffed by art connoisseurs.

Other goods are more practical. Dozens of tables hold rolls of calculator paper (40 cents each), tea services (\$5), lamps (\$20) and even computers, which start at \$100. The dearth of East German software, however, makes these suitable only for hardcore hackers.

If that doesn't put the visitor into a melancholy enough mood, the Stasi museum around the corner is a good antidote. Only partially completed, it features the former Stasi boss Erich Mielke's wood-paneled office, the prized death mask of Lenin on his desk and innumerable safes, telephones and index card files that seem to pop unexpectedly out of drawers and cabinets.

In an adjoining room to Mielke's office is his modest private retreat, with bed, table and a hunting scene that could have come from the Stasi market.

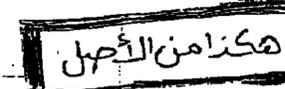
Down the hall, cases display electronic listening devices, while a café shows videos of anti-Stasi protests and offers a selection of Stasi-related reading material. Newly opened is a floor with a reconstructed jail cell for political prisoners and a research center for historians.

Most of the massive Stasi complex now houses East German railway offices, but the few preserved floors still give a glimpse of an organization that oversaw 16 million citizens and terrorized thousands. The pre-fabricated building with its compartmentalized offices and plastic telephones also seems to hint at why the Stasi's stolid duty-doers ultimately failed.

THE Stasi market is held every Thursday from 8 A.M. to noon and 2 P.M. to 6 P.M. It is in the back entrance of Hans 2 on Magdalenen Strasse across from the church.

The museum costs \$3 admission and is open Tuesday to Friday from 11 A.M. to 6 P.M. and Saturday and Sunday from 2 P.M. to 6 P.M. It is in Hans 1, which one directly faces when entering the Stasi complex through the main entrance on Rusche Strasse 59.

Ian Johnson is a free-lance journalist based in Berlin.



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LEISURE

New, Improved Visitor's Manhattan

By Terry Trucco
New York Times Service

NEW YORK — For some New Yorkers, it's almost a reflex action to leave the city in the summer. But for those who stay — and those who visit — summer in Manhattan has a distinctive set of charms. Even with big crowds, like next week's Democratic National Convention, summertime Manhattan has a little less bustle, a little less hassle. And this summer in particular, New York City has lots to offer, including a dazzling lineup of plays on Broadway.

Manhattan is looking good at the moment. The frenzied building of the late '80s has slowed considerably. Instead, the city is upgrading what it's got. Familiar museums, notably the Guggenheim and the Morgan Library, have enlarged their premises and restored old buildings with splendid results. And in the last two years, more than a dozen old hotels, including Beekman Towers, the Drake and the Plaza, have been renovated, often with stunning results. A number of pleasant, modestly priced hotels have sprouted up, as well.

Manhattan is also trying hard to please its guests. Times Square recently unveiled two portable information kiosks. Each is an outsize steamer trunk on wheels with a multi-angle concourse inside who hands out maps, brochures and advice.

Manhattan can be intimidating, of course. One way to make it manageable is to concentrate on what's new. This guide, while hardly comprehensive, will give a hint of the intriguing sights, shops, restaurants and entertainments that may not have existed on your last visit.

A happy addition to Central Park last month was the 90-minute guided trolley tour. Air-conditioned and painted a jaunty red, the trolley holds 32 passengers, costs \$12.50 and leaves weekdays at 10:30 A.M. and 1 and 3 P.M. from Grand Army Plaza. Information: (212) 360-2727.

Bryant Park, the elegantly landscaped square behind the New York Public Library, isn't exactly new. But it was officially rededicated in May after an \$8.9 million restora-

tion, and looks terrific, with cleaned statues, mended wrought-iron fences and 2,000 pennants in the garden.

The Guggenheim Museum, (212) 423-3500, reopened last week after two years of renovations, with new galleries, a smart café and an expanded shop. An architectural highlight is Frank Lloyd Wright's skylit small rotunda, previously closed to the public. "Masterpieces From the Guggenheim Collection" is on view to Aug. 27. Open daily except Thursday, 10 A.M. to 8 P.M. Admission: \$7.

Russia's Kirov Opera is in New York for the first time, at the Metropolitan Opera House, (212) 362-6000, in Lincoln Center, until July 18. Tickets are \$20 to \$135; standing room is \$10 and \$15.

Broadway has a full house of hits, including "Falsettos" at the John Golden Theater, "Jelly's Last Jam" at the Virginia Theater, and the revival of "Guys and Dolls" at the Martin Beck Theater. Tickets, \$45 to \$65, can be bought by phone at (212) 239-6200. For movie buffs, Lincoln Center's Walter Reade Theater, (212) 875-5626, opened in December, offering vintage and international films. Screenings start at 2 P.M.

The last two years have been rough ones for many Manhattan merchants, as an alarming number of vacant stores, large and small, attest. But SoHo, now a hip shopper's haven, is thriving. For an amusing browse, there's the two-month-old Origis boutique, 402 West Broadway, (212) 219-9764, stocked with environmentally friendly cosmetics and toys, and A/X, 568 Broadway, (212) 431-6000, a spacious outpost for Giorgio Armani's generic, Gap-type fashions, which opened in December.

On 57th Street, the best-known newcomer is Galeries Lafayette, which opened in September at 4 East 57th Street. (212) 355-0022, where nearly everything is from France. Bergdorf Men, 745 Fifth Avenue, (212) 753-7300, which opened two years ago near 58th Street, stands directly across from Bergdorf Goodman and has three floors of clothes for men only. And a couple blocks south, Henri Bendel, 715 Fifth Avenue, (212) 247-1100, moved a year ago into a dazzlingly restored Beaux Arts building. The clothes are

wittiest — and costliest — on the upper floors. And Bendel's restaurant, with whimsical teapots covering a wall, is also convenient for a quick bite or for tea.

Saks Fifth Avenue, (212) 753-4000, between 49th and 50th Streets, also has Café SFA, a smart year-and-a-half-old restaurant.

Manhattan's newest hotels cover a range of styles, budgets and, perhaps best of all, locations.

Arguably the best thing to happen to Times Square in years is a crop of sleek new hotels, including the Macklowe, Holiday Inn, Marriott Marquis, Embassy Suites and the cleverly renovated Paramount. In February, the Ramada Renaissance, 2 Times Square, (212) 765-7676, joined the group with a 305-room glass tower that's a cut above the typical chain hotel. Double rooms start at \$165.

A few blocks north, massive renovations are finally complete at the 659-room Sheraton Manhattan, 790 Seventh Avenue, (212) 581-3300 and the 1,750-room Sheraton New York Hotel and Towers, at 811 Seventh Avenue, (800) 325-3535 or (212) 581-1000. Doubles at both start at \$139.

Budget: Doubles at the Hotel Beacon, 2130 Broadway at 75th Street, (212) 787-1100, are a good deal at \$80.

Luxury: The dramatically renovated 593-room Essex House, 160 Central Park South, (212) 247-0300, is a lavish addition to Midtown. Double rooms, normally from \$265, start at \$170 this summer.

THE aptly named Boom, 152 Spring Street, (212) 431-3663, an adventurous restaurant newcomer, opened in April with a trendy multiethnic menu. Offerings include Moroccan charroal-marinaded seafood and sea scallops with a Thai red curry sauce. Dinner for two, about \$85. (All dinner prices include a bottle of wine but not tip and tax.) Tuscan specialties like rabbit roasted in a sweet wine sauce and Tuscan fish stew, fill the menu at the year-and-a-half-old Coco Pazzo, 23 East 74th Street, (212) 794-0205, chic and elegantly atmospheric. Ceiling fans whirl gently in the long, white hallway, suspended from an arched ceiling, as you walk from the bar into the spacious dining room. Dinner for two, about \$130.

Opening the EC Skies: Round 3

By Roger Collis
International Herald Tribune

OPEN skies it is not. But the third EC liberalization package, due to come into force on Jan. 1, 1993, should pave the way for lower fares and a better choice of services. This is the first serious challenge to the dominance of the state-owned carriers, such as Lufthansa, Air France, Iberia and Alitalia, which still carve up many routes into duopolies and charge outrageous fares, especially if you need a flexible ticket.

Airlines will be able to set their own fares (unless they are excessive or predatory, whereby a carrier cuts fares below costs to drive off a competitor). Any airline will be able to fly between two other EC states without the need to start or end in its home country. This means Air France could fly between London and Madrid, or Lufthansa between London and Paris.

From April 1, 1997, any carrier will be able to operate internal flights in any of the 12 member states. Lufthansa could fly between Paris and Nice, or Alitalia between Frankfurt and Berlin. Until then, airlines will have "consecutive cabotage" rights to add a domestic leg on to a flight starting from their home bases. For example, an Air France flight from Nice to London could fly on to Manchester.

The package has had mixed reactions, but most expect the changes to be evolutionary rather than revolutionary. Lord King, chairman of British Airways, is unhappy that liberalization does not take into account the subsidies received by its state-protected rivals. "We want deregulation and we have been compromised," he said.

But Sir Michael Bishop, chairman of British Midland, the second-largest carrier in Britain, was more sanguine. "It's the most radical thing that has happened in my career in civil aviation," he said. "That we can now base our aircraft on the Continent at a city of our choice and operate services from there to another country in Europe is an enormous change. But I think the prospects of a genuine free market with carriers all subject to the same market forces is some time away."

"You'll see fares coming down where competition emerges," he said. "It's already happened. It's much cheaper to fly business

class from London to Paris and Amsterdam and Brussels than it was two or three years ago."

Competition on London-Stockholm has driven business fares down by around 20 percent over the past two years.

"There are now 12 carriers, in addition to SAS and BA, flying between Scandinavia and the U.K.," said Curt Lundqvist, general

manager of SAS in London. "The market has reached saturation and fares are at rock bottom. We have special deals for the business traveler — the first hotel night free and subsequent nights for 50 percent discount; a one-day return, and a spouse fare at 10 percent of the full fare. In spite of the hefty competition, SAS is carrying more passengers per day than two years ago."

British Midland has led a price war with lower business fares and far fewer restrictions on routes from Heathrow to Dublin, Amsterdam, Paris, Brussels and Nice, with one-class service throughout the plane, which is arguably as good as business class on other carriers. BM offers a three-day return at 30 percent less than rivals charge for business class. You can save £100 (\$190) on the round-trip London-Brussels, £117 to Paris, £80 to Amsterdam, and £191 to Nice. The only condition is you must come back within three days. There are similar savings on the Eurobridge fare, which carries some booking restrictions but allows an open return.

Air UK, which flies between London (Stansted) and cities such as Brussels, Amsterdam, Düsseldorf, Frankfurt, Paris and Florence, has pitched full economy fares at

around 25 percent less for its one-class cabin than you would pay for economy class with another carrier.

"I think Bishop [of British Midland] sells too cheaply," said Andrew Gray, managing director of Air UK in London. "Frankly, at those levels it's difficult to get an economic return. We charge less than business-class fares, about £100 off the London-Nice, for example. Price wars are not usually very healthy. I hope we don't see vicious price-cutting because if we do the big boys will win."

"I do see the major state airlines as vulnerable to low-cost competition, but it's very hard to prove what is a state subsidy and a legitimate increase in capital or investment."

There is no question that the state airlines are under increasing pressure from consumer groups, the EC Commission, and member and lesser private airlines.

"Once you take state aid away, you will have a completely different commercial approach," said an industry insider. "I think Lufthansa is going to be first to crumble, because of growing competition from Deutsche BA within Germany. Jürgen Weber [the Lufthansa chairman] is privately saying that he wouldn't mind at all if 20 percent of the staff walked out the door tomorrow morning. What will happen is he'll get the power to deal with it. Because unless he does, Lufthansa will go down the tube without state aid."

A major threat to open skies is the shortage of takeoff and landing slots, and air traffic control congestion. New competitors cannot compete unless they can get the frequency they need at the right times. And governments will try to influence slot distribution to protect their flag carriers.

DO'S AND DON'TS

Business-Class Steal

Do fly business class from London to Stockholm since competition has driven fares down by around 20 percent.

No Instant Miracles

Don't expect instant bargains. The EC liberalization plan doesn't come into full force until April 1, 1997.

Three-Day Special

Do consider British Midland's three-day round-trip package from Heathrow to several destinations. It's 30 percent less than what many rivals charge for business class.

Shopping Around

Don't forget to shop around. Each airline has its own specialties.

THE ARTS GUIDE

AUSTRALIA

Sydney
Australian Museum (tel: 339.8111). To Aug. 30: "Masius." Exhibition of aboriginal tin masks as well as works in other materials from the Pacific Islands, Indonesia, Sri Lanka and East Asia.

AUSTRIA

Vienna
Kunsthistorisches (tel: 531.24.44.91). To Aug. 9: "The Visual Scandal." A study in the development of poster art from the 1890s through the 1920s.

BELGIUM

Ghent
Museum voor Sierkunst (tel: 25.86.78). To July 27: Exhibition focusing on Europe's highly innovative precious metalware from 1880 to 1940.

BRITAIN

Glasgow
Kelvingrove Art Museum (tel: 357.3929). To Aug. 30: Retrospective of the works of John Bellamy, one of Scotland's most prolific and successful artists.

London
Barbican Art Gallery (tel: 835.4141). To Aug. 22: "Flow from the East." Works by four prominent South Korean painters reveal how modern abstract art in Korea has developed.

Hayward Gallery (tel: 928.6800 for advance booking). To Aug. 2: "Migritte," a major exhibition of the works of the Surrealist artist; includes paintings, collages, gouaches, sculptures and painted bottles.

CANADA

Toronto
George R. Gardiner Museum of Ceramic Art (tel: 586.6800). To Aug. 16: "Of Cabbages and Kings: Naturalist Ceramics 1700-1850."

DENMARK

Humblebeek
Louisiana Museum of Modern Art (tel: 42.19.07.19). To Aug. 23: "Spain at Louisiana." Photography on Spanish photography and design starting from shortly before the death of Franco, when artistic liberalism set in, until today.



Robert Cameron's Golden Gate Bridge in Paris show.

FRANCE

Arles
Palais de Luppé (tel: 90.93.08.08). To Sept. 30: "Jasper Johns, Drawings and Engravings (1957-1991)." Works by one of the greatest Pop artists.

Chartres
Musée des Beaux-Arts (tel: 37.36.41.39). To Oct. 5: "Vince Art in the Museums of the City of Cuzco." Religious artifacts, ceramics and weapons.

NICE

Musee National Message Biblique
Marc Chagall (tel: 93.81.75.75). To Oct. 5: "Adam and Eve, From Durer to Chagall." One hundred and twelve engravings by Durer, Cranach, Rembrandt and Chagall, among others.

Paris
Fondation Mona Bismarck (tel: 43.55.22.22). To July 25: "Photographs Aerial." Aerial photographs of such cities as New York and Paris.

GERMANY

Cologne
Kölnischer Kunstverein (tel: 221.37.40). To July 19: Photographs by Josef Abers (1889-1976), the one-time Bauhaus student who is best known for his paintings.

ESSEN

Museum Folkwang (tel: 88.84.52). To Sept. 8: "Olara lok: Impressions of the Foreign." Photographs taken in Calcutta by Axel Grünwald. To Sept. 27: "Edward Hopper and Photography." The exhibition juxtaposes 32 paintings by Hopper and 120 works by major 20th-century photographers.

HUNGARY

Budapest
Szépművészeti Múzeum (tel: 751.184). To Aug. 2: "A Decade of Austrian Painters: 1980-90." Includes 40 of the decade's most prominent Expressionist and figurative works.

ISRAEL

Jerusalem
The Israel Museum (tel: 708.811). To Sept. 8: Philip Pearlman's wooden shack filled with odd moving objects and gadgets parodying the modern

domestic scene. To Oct. 30: "Books from Setarad." A display of rare Hebrew manuscripts along with some of the remaining artifacts from Spanish Jewry.

ITALY

Florence
Sotteranei di S. Lorenzo (tel: 28.85.11). To Sept. 8: "Church and City in Florence in the 18th Century." Art depicting religious life in Florence under Lorenzo II Magnifico.

Museo Correr (tel: 52.06.288). To Sept. 30: Sculptures, drawings, paintings, clay and plaster models by neoclassical sculptor Antonio Canova.

JAPAN

Tokyo
Mitsukan, Japan Folk Crafts Museum (tel: 34.67.45.27). To Sept. 27: "The Beauty of Indigo: A Living Color." Includes 20 tie-dyed works called *arimatsu shibori* and 200 blue and white objects.

Tokyo Metropolitan Museum of Photography (tel: 32.80.00.31). To Aug. 18: "Family Album: Changing Perspective of Family Portraits." More than 150 photographs showing families from around the world that have been affected by social changes.

MONACO

Monte-Carlo
Marisa del Re Gallery (tel: 93.25.65.99). To Sept. 30: "Fernando Botero." The Colombian artist's monumental sculptures.

NETHERLANDS

Amsterdam
Stedelijk Museum (tel: 573.29.11). To Aug. 23: "The Great Utopia: Russian Avant-Garde 1915-32." Includes work by Archipenko, Chagall, Kandinsky, Malevich and Tatlin.

POLAND

Warsaw
National Museum (tel: 21.10.31). To Aug. 9: "Polish Painting in the Collection of Ewa and Wojtek Fibak." Paintings by Polish artists of the Ecole de Paris.

RUSSIA

Moscow
Kolomenskoye Museum (tel: 115.23.88). To Aug. 18: "Three Generations of American Impres-

sionists." Includes the works of Henry C. White (1881-1952), Nelson C. White (1900-99) and Nelson H. White (1932-).

SPAIN

Madrid
Museo Arqueológico Nacional (tel: 535.01.29). To July 30: "Aztec Mexican: Cultures from Ancient Mexico." Includes 127 pieces of extraordinary historical, aesthetic and cultural value borrowed from major museums in Europe and Mexico.

Stockholm
Nationalmuseum (tel: 666.42.50). To Dec. 31: "Nationalmuseum Posters." A display of a half-century of the museum's posters.

SWEDEN

Stockholm
Nationalmuseum (tel: 666.42.50). To Dec. 31: "Nationalmuseum Posters." A display of a half-century of the museum's posters.

SWITZERLAND

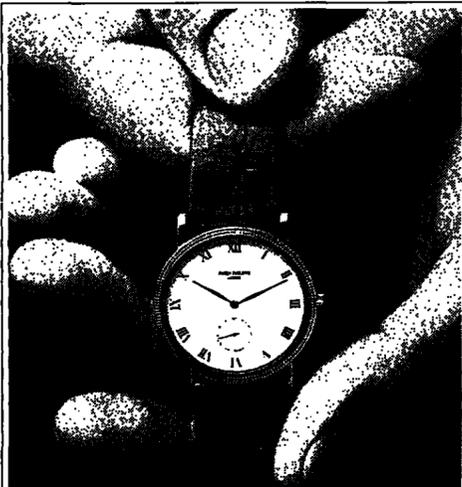
Geneva
Galerie Daniel Malingue (tel: 312.24.60). To July 30: "Nicolas de Staël." Painting takes priority.

Zurich
Kunsthaus (tel: 251.67.55). To Aug. 16: "Brazil in Image." Paintings illustrating cultural and artistic diversity from the 18th century to the present.

Germany 1909-36. Nearly 200 works by German Expressionists and New Objectivity artists. To Sept. 25: "The Art of Archibald J. Motley, Jr." Seventy-five paintings which show Motley's development from naturalism to a highly individual style influenced by jazz.

New York
Museum of Modern Art (tel: 708.97.50). To July 18: "70 Years of Soviet Filmmaking: From the Archives." A historical survey of Soviet films made between 1922 and 1991.

For more than a century and a half, Patek Philippe has been known as the finest watch in the world. The reason is very simple. It is made differently. It is made using skills and techniques that others have lost or forgotten. It is made with attention to detail very few people would notice. It is made, we have to admit, with a total disregard for time. If



a particular Patek Philippe movement requires four years of continuous work to bring to absolute perfection, we will take four years. The result will be a watch that is unlike any other. A watch that conveys quality from first glance and first touch. A watch with a distinction: generation after generation it has been worn, loved and collected by those who are very difficult to please; those who will only accept the best. For the day that you take delivery of your Patek Philippe, you will have acquired the best. Your watch will be a masterpiece, quietly reflecting your own values. A watch that was made to be treasured.

PATEK PHILIPPE
GENEVE

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ACROSS

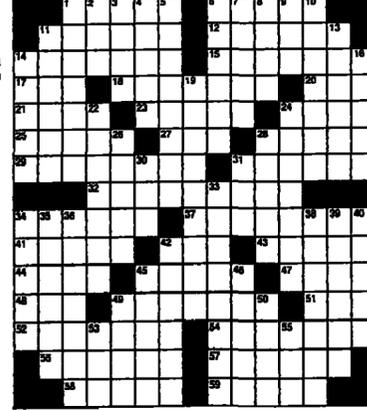
- 1 Helvetic
- 4 Prairie State city
- 11 Show place
- 12 Wattle
- 14 Hobson, for one
- 15 Clad
- 17 East, in Essen
- 18 Tangerine part
- 20 R.E.L.'s group
- 21 Fish trap
- 23 Naval hero of 1898
- 24 Costly
- 25 Alleys for keggers
- 27 Free (0)
- 28 "Lucky" 1927 hero
- 29 She was Mrs. J.R. twice
- 31 Artist's medium
- 32 Bushel
- 34 Lay low
- 37 Highly regarded

Solution to Puzzle of July 9

PARC SPORT AMID
ARIA TATAR PASO
PASTEURIZE ORAN
ANKARA COMEDIAN
PART ROMANCE
ACOUSTIC LIL
CHILE TABOR CPA
EAST RUBES ALUM
DOE PESOS GROPE
RUM TOBGGAN
ILLEGAL TRIO
LEAFSPOT INNING
IAGO PROPAGANDA
AVER ENTER UDAL
DERM DEEPS TYKE

DOWN

- 2 Thai temple
- 3 Problems
- 4 Traveller, for one
- 5 Warlock
- 6 Swiftd
- 7 Director Mervyn
- 8 She played Lola
- 9 French pronoun
- 10 Developing
- 11 Dominica's capital
- 13 Dressage maneuver
- 14 Utilites
- 16 Actress Hannah of "Splash"
- 19 Laura Palmer's home
- 22 Jackets
- 23 Analyze closely
- 24 Former G.M. chairman
- 25 Victoria and George
- 26 "et Veritas," Yale motto
- 27 Agent's cut: Abbr.
- 28 Wild prank
- 34 San Diego player
- 35 Sinatra's "Elven"
- 36 Big Bertha's cousin
- 38 Descendant of Lot
- 39 Intertwine
- 40 Dhdie's TV sister, once
- 42 Complainer
- 43 Instant
- 44 Middle East nation
- 45 Hooster State city
- 46 Five-lime candidate for President
- 47 Bee's TV housemate
- 48 Author Dianthe



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WALL STREET WATCH

Chart-Topping Formula From Polygram Records

By Geraldine Fabrikant

AN ANNUAL record awards ceremony in Britain last month was a particularly sweet occasion for Polygram Records, the unit of Philips Electronics NV that sold 20 percent of its stock to the public two years ago.

The two years since the public offering of Polygram, one of the world's largest record companies, the stock has climbed as high as \$30.875 a share from about \$16, despite a recession in the record business, skepticism over Polygram's costly purchases of A&M Records and Island Records—both U.S.-based—and what analysts call a questionable move into the movie business.

Despite pitfalls, the stock has jumped since its offering two years ago.

The stock gained 12.5 cents in trading on the New York Stock Exchange Thursday, to \$30.25.

In Amsterdam, Polygram's market value now exceeds that of its parent, Reuters reports. At 28.20 guilders (\$16.70) in Thursday trading, Polygram's market capitalization was about 8.5 billion guilders. Philips shares, at 52.50 guilders—about one-third above their January low—give the company a market worth of about 8.8 billion guilders.

Polygram's earnings in 1991 jumped to \$261 million, or \$1.53 a share, compared with \$211 million, or \$1.24 a share, a year earlier. Polygram does not report quarterly earnings, so the first indications of its 1992 performance will not be out until August.

THE GROWTH of Polygram's per-share income benefits from Dutch accounting practices, which do not amortize goodwill. Instead, goodwill is taken directly from equity. In its annual report, Polygram said earnings per share had risen 60 percent from 1988, before acquisitions, to 1991. But under U.S. accounting rules, earnings per share would have risen 49.4 percent.

Still, many analysts view Polygram favorably. "Polygram has used the assets that were in the acquisitions effectively," said Harold Vogel, who follows the company for Merrill Lynch & Co. "They have developed unknown artists and not paid up as frequently as some other companies for the big stars."

Billy Ray Cyrus is an example. The unknown country music singer was signed to a Polygram multi-record contract roughly three years ago. Such contracts are generally for several hundred thousand dollars. His record made the country charts and later the pop charts.

Such a crossover ultimately introduces the singer to a broader audience and increases record sales. Undoubtedly, Mr. Cyrus's contract will be renegotiated, but the profit potential for Polygram, if the singer's success continues, is likely to be significantly greater than it might have been for a higher-cost performer.

Both Mr. Vogel and David Londoner, an analyst at Wertheim Schroder, see more upside in Polygram's stock. Both point out that Polygram now has several hit performers, like Ugly Kid Joe and the rock group Extreme, who can continue to sell.

Foreign companies that have bought American record companies in the last several years have had a mixed record. Matsushita's purchase of MCA has been clouded by a dispute involving Matsushita's refusal to let MCA Records buy Virgin Records. But Sony appears to have done well in buying CBS Records, partly because it paid a relatively low price.

Polygram appears to have done well, despite having paid premiums for both its \$272 million acquisition of Island Records and its \$272 million acquisition of Island Records.

See POLYGRAM, Page 13

Bears Growl: The Big One

'Innocents' Buy Stocks From Fleeing Pros

By Susan Antilla

NEW YORK — The year 1973 was disastrous for investors just entering the stock market. Indeed, with the benefit of hindsight, it could be called the classic case of suckers coming in just before things fell apart.

Although the market has largely recovered from a sharp drop on Tuesday, some analysts think they see parallels with 1973 today. These market watchers are wondering whether 1992 could go down as the year of the Big One—the tremor that erupts into a full-fledged bear market.

One such analyst, Justin Mammis, warned clients this week that there were enough similarities to 1973 to conclude that "something truly serious is going on." Mr. Mammis's version of serious is a market decline that would last about 18 months, taking the Dow Jones industrial average down to 2,500. While such a decline would be relatively small for Dow stocks, he said he foresaw other issues falling 60 percent to 70 percent.

"This is the early stage of a bear market," said Mr. Mammis, who has predicted a last-hurrah rally after the presidential election in November. But that rise will be a "bounce-back" rally, he predicted, much like the one that took the Dow from 850 in June 1973 to 987 in October, "when the whole world thought the bear market was over." By December 1974, the Dow had fallen to 577.

What bothers Mr. Mammis is what technical analysis call distribution, the conditions under which stocks are being sold. In the 1987 collapse, sellers were forced to take knocked-down prices if they wanted to bail out. But selling today is more calculated. Today's seller is slowly feeding stock back into the market, taking advantage of any upturn in prices to bail out a little bit more near a stock's all-time high. That is stalling potential rallies. Mr. Mammis said, just as it did in 1973. It is also a concern that current sellers, as Mr. Mammis said, appear to be "people who bought stock well—at cheaper prices—who have decided that's enough." He said he suspected these smart-money sellers were finding buyers among less sophisticated investors.

"The public is buying these shares," he said. "The mutual funds who take the public's money, the foreigners and the innocents are buying it. People are being told by financial planners that they should buy stocks for the long term because certificates of deposit are no good."

Mr. Mammis is not heartened to hear so many financial advisers touting stocks as an alternative to safe money-market instruments. "They're saying that yields are at a 20-year low," making the promise of higher yield in the stock market more inviting, he said. "Well, subtract 20 from 1992 and you're in the year before the bear market."

Analysts are increasingly intrigued over the question of when The Big One will come, simply because it has been so long since the last extended bear market, said Steve Leuthold of the Leuthold Group, a Minneapolis-based research group. "It's like The Big One they talk about in California," he said, referring to earthquakes. "It's going to happen sometime, but you really don't know when."

Mr. Leuthold is mailing a report to clients detailing his reasons for believing some time is left before the next "secular" bear market—a 1974-style rout that would push stocks down 50 percent or so.

One reason for his sanguine approach is that the bull market that Mr. Leuthold measures from 1974 to today has not lasted as long as previous bull markets that were followed by secular bear markets. The 1973-74 bear market took stocks down 50 percent, and corrected a 23-year bull market, he said.

Mr. Leuthold said he found today's market more like the stock market of 1968 and 1969, when there was "a lot of frothy speculation" but the bear market was still five years off.

"My guess is this isn't The Big One," Mr. Leuthold said. "It's coming. But my seismograph says we're not quite ready for that yet."

For investors who agree that The Big One is near, Mr. Mammis suggested that the "safest and most intelligent thing to do" is to own two- and three-year government securities. While the earning power of such securities may be lackluster, he said, "You don't make money on the low interest you get during the bear market. You make your money later by having the cash available to buy stocks at great discounts."

Regulator In U.K. Assailed

Failings Cited In Maxwell Case

By Steven Prokesh

LONDON — Britain's Securities and Investments Board on Thursday severely criticized the regulator of the investment-management firms alleged to have played a central role in the Maxwell scandal for failing to detect that something was amiss.

The serious weaknesses in the Investment Management Regulatory Organization exposed by the scandal show that the British financial services industry's system of self-regulation must be strengthened significantly, said Andrew Large, the board's chairman, at a news conference.

He said his board, which oversees many of the self-regulatory bodies, including IMRO, had to accept part of the blame. "The Securities and Investments Board itself needs to rethink how it plays its part in ensuring that the self-regulatory bodies provide effective investor protection," Mr. Large said. The board's members are appointed by the chancellor of the Exchequer and the governor of the Bank of England.

Mr. Large would not disclose details about IMRO's failure to detect that the investment-management firms owned by Robert Maxwell were being used to steal hundreds of millions of dollars in assets from pension funds of the Maxwell empire's employees. To do so might prejudice criminal trials, he said.

The board said IMRO's self-examination concluded that its monitoring system was inadequate and that it was "unduly ready to rely on the good faith and professionalism" of people at the firms.

The Securities and Investments Board said it was more critical of IMRO's performance than IMRO was itself and considered disbanding it. Instead, the board decided that it should be strengthened.

Regulators' admission that they inadequately oversaw the Maxwell firms increased the pressure on the government to make up the large deficits in the pension funds.

A banker involved in the negotiations acknowledged that the Brazilian president and the economy faced major difficulties and said there was still some doubt if Brazil could meet the economic reform guidelines set by the International Monetary Fund. But he added, "This agreement will give them a much better chance of doing that."

Paul A. Volcker, who was chairman of the Federal Reserve Board in 1982 when Mexico began the debt crisis by defaulting on its loans, thinks the Latin American crisis has now passed. "I think you can say that the Latin American

debt crisis is no longer a crisis," he said. "Most Latin American countries are hopefully back on a growth pattern and the debts are manageable and should not be a threat to the financial system."

Indeed, the Brazilian agreement goes a long way to reaching the goals of the U.S. administration's debt policy. Brazil is the last of a string of major debtors to reach debt-reduction agreements under this policy.

Named for Treasury Secretary Nicholas F. Brady, the policy was announced in March of 1989 and pushed commercial bankers to grant troubled developing countries a reduction in the debt they owned as a way to help them restructure their economies. At the same time, the policy insisted that these debtors take steps to open their economies, reduce inflation and allow IMF guidelines.

But the agreement with Brazil, and those that preceded it, does not mean that the economic and debt crisis of the 1980s in the Third World is surely over.

In Brazil, Venezuela and Argentina, continued political and social problems mean that these countries have not securely turned the corner economically.

And while banks are making agreements on past debt, new borrowing is continuing. There are new loan options in the Brazilian deal just as there have been in agreements reached with other countries, like Mexico, Argentina and Venezuela.

It will be some time before it will be clear if this new debt burden can be handled better than that of the past.

Yet the agreement Thursday does cap a remarkable change in the debtors in the last decade. The key change, led by Mexico and Chile, has been the move toward economic reform by the opening of financial markets to foreign investment, the selling of state companies and efforts to try to reduce inflation and end wholesale government support of the economy.

In announcing the debt reduction agreement, William R. See BRAZIL, Page 12

American Wins TWA's O'Hare Gates

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware — American Airlines won a bidding contest Thursday for the Chicago O'Hare assets of troubled Trans World Airlines after TWA's creditors rejected a higher bid from United.

The acquisition, at a TWA bankruptcy hearing, represents a significant victory for American, which had threatened to block any TWA asset sale to United Airlines in court. That threat, which could have delayed a sale indefinitely, played an important role in the creditors' decision, lawyers said.

United offered \$235 million for 40 TWA take-off and landing slots and three gates, while American offered \$221 million.

In another development affecting a hard-pressed U.S. airline, a business associate of the Houston financier Charles Hurwitz said Thursday that Hurwitz had made a \$350 million bid for a controlling interest in Continental Airlines, which like TWA is operating under bankruptcy-court protection.

A managing director at one of the investment banks advising Mr. Hurwitz said that he had made the offer last week after several months of talks with the Houston-based airline.

Also expressing interest in Continental are the Bass brothers, British Airways and Air Canada. Formal bids for Continental would require approval from bankruptcy court in Delaware. (AP, Bloomberg)

Fare Wars Flare Again Among U.S. Airlines

Compiled by Our Staff From Dispatches

CHICAGO — United Airlines, Trans World Airlines and USAir said Thursday that they would match cuts of an average of 25 percent announced by Continental on roughly half of its routes.

Continental Airlines set off the latest round of fare cuts late Wednesday, just days after the major U.S. airlines promised to raise fares after a bruising price war. Ironically, it was Continental that had soundly denounced revenue-draining fare reductions in the industry this spring.

The latest round of fare cuts on U.S. routes appeared to dash hopes in the struggling industry for higher prices. The big carriers had planned to raise fares about 4 percent on Friday.

A Continental spokesman, David Messing, said the airline's plan did not necessarily scuttle an increase. "We have also filed for that same increase," Mr. Messing said. "There's no reason that the sale and the increase can't go on together."

Analysts forecast second-quarter losses for most major airlines after a half-price sale in late May and early June. More low fares will "add to the already mounting losses," said Lee Howard, executive vice president of Washington-based Airline Economics Inc.

Tickets eligible for the latest fare cuts must be purchased on or before July 17. They are good for travel from July 16 to Sept. 15 and carry a number of advance-purchase and round-trip restrictions.

The individual fare cuts range from 8 percent to 35 percent. Houston-based Continental said it could afford the sale because it avoided "broad participation" in the industry's 50 percent discount promotion this year.

"Continental still believes the current general fare structure is basically below proper economic levels," the carrier said. Continental, which earlier said the airline fare was delayed its emergence from bankruptcy protection and forced it to cut employee wages an average of 10 percent, has filed a federal antitrust suit accusing American Airlines of predatory pricing strategies designed to drive weaker carriers out of business.

A spokesman for American, John Hotard, said the carrier found Continental's fare cut ironic. "It's a case of it's O.K. for them to do it so why isn't it O.K. for us to do it?" he said. (NYT, Bloomberg, AP)

Swissair Carbs First Class

Swissair said it was abolishing first-class travel on European flights from April 1993, following a move announced by Lufthansa AG two weeks ago, Reuters reported from Zurich.

A Swissair spokesman said a new class would be created, aimed at the business traveler.

Approval Likely For French Deal

Agence France-Press

BRUSSELS — A plan for Banque Nationale de Paris to take 8.8 percent of Air France is likely to be approved in a ruling expected from the EC Commission next Wednesday, sources at the European Commission said Thursday.

Even though some commissioners continue to have reservations about the deal, the commission is likely to approve it, the sources said.

The plan calls for the state-controlled bank to effectively inject about 1.25 billion francs (\$245 million) into the state airline as part of a three-stage recapitalization plan.

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CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other market data for various international currencies.

Other Dollar Values

Table showing exchange rates for various currencies against the US Dollar.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and 180-day forward rates.

INTEREST RATES

Table showing interest rates for Eurocurrency deposits and other financial instruments.

Key Money Rates

Table with columns for Instrument, Bid, and Ask rates for various money market instruments.

Asian Dollar Deposits

Table showing interest rates for Asian Dollar deposits.

U.S. Money Market Funds

Table listing various U.S. money market funds and their performance metrics.

Hafnia Details Stock Scam

Compiled by Our Staff From Dispatches

COPENHAGEN — Olav Grue, chief executive of Hafnia Holding A/S, said Thursday that the insurer's former finance director undertook misleading stock sale-and-buyback transactions that masked 200 million kroner (\$34.8 million) of losses last year.

Mr. Grue told Reuters News Agency the executive, Jesper Hansen, sold stock before Christmas at above-market prices, then repurchased the shares at the same cost in early 1992. "The accounts were misleading in any case with that transaction no one knew about."

The stock-parking deals helped cut the 1991 loss to 1.227 billion kroner, Mr. Grue said. He added the company had included the deal in 350 million kroner set aside last week for what Hafnia called "unusual contracts." Mr. Grue also said the company was trying to locate the foreign counterparties and that police were investigating the deals.

Separately, Standard & Poor's Corp. cut Hafnia's claims-paying ability to BBB from A and its commercial paper to B from A2, citing a "severe erosion of capital." Hafnia's finances were shaken by its failed attempt during the winter to gain control of Forskrings AB Skandia, Sweden's biggest insurer. (AFX, APF)

Advertisement for the Grundig World Band Receiver, featuring an image of the device and text describing its features and availability.

MARKET DIARY

Strong Retailers Lead Stocks Higher

Bloomberg Business News NEW YORK — U.S. stock prices surged Thursday on reports that sales in stores open at least a year rose almost 4 percent in June. The retail-sales report removed some of the pessimism that has dragged stock prices lower.

"All of the economic negativism that's hampered the stock market suddenly disappeared," said N.Y. Stocks

Thomas Gallagher, a managing director in charge of capital commitment at Oppenheimer & Co. "Whether those concerns return tomorrow is the big question."

Dollar Bounces Bank After Sabin Remarks

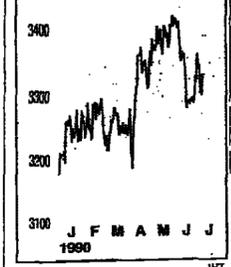
NEW YORK — The dollar bounced back Thursday after Foreign Minister Michel Sabin of France said the Group of Seven industrialized nations did not want the U.S. currency to fall further.

Brady was surprised by the market's interpretation of his comment that he was unconcerned that the dollar was trading below 1.5 Deutsche marks. That remark triggered widespread selling of the U.S. currency two days ago.

The dollar also gathered strength after the Bundesbank denied a published report that it was considering raising interest rates.

At the close in New York, the dollar had gained to 1.5120 DM, up

The Dow Daily closings of the Dow Jones industrial average



NYSE Most Active

Table listing the most active stocks on the NYSE, including volume, high, low, and last price for various companies like American Express, IBM, and General Electric.

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NYSE Diary

Table showing market activity on the NYSE, including advanced, unchanged, and declined issues, along with high and low points.

NASDAQ Diary

Table showing market activity on the NASDAQ, including advanced, unchanged, and declined issues, along with high and low points.

Dow Jones Averages

Table showing the Dow Jones averages for various sectors like Industrials, Transportation, Utilities, and Finance.

Standard & Poor's Indexes

Table showing Standard & Poor's indexes for various sectors like Industrials, Transportation, Utilities, and Finance.

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AMEX Stock Index

Table showing the AMEX stock index with high, low, and close values.

Dow Jones Bond Averages

Table showing Dow Jones bond averages for various categories like 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing market sales for various sectors like NYSE 4 a.m. volume, NYSE 9 a.m. volume, and NASDAQ 4 a.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. odd-lot trading for various months from July to June.

S&P 100 Index Options

Table showing S&P 100 index options for various months from July to June.

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EUROPEAN FUTURES

Table showing European futures for Food, including Soybean, Corn, and Wheat.

Table showing European futures for COFFEE (F0), including Arabica and Robusta.

Table showing European futures for METALS, including Aluminum, Nickel, and Tin.

Table showing European futures for WHITE SUGAR (Mott), including No. 11 and No. 12.

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Table showing European futures for GOLD (COMEX), including 100 oz and 500 oz.

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Table showing European futures for PLATINUM (NYMEX), including 500 oz.

Table showing European futures for PALLADIUM (NYMEX), including 500 oz.

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U.S. / AT THE CLOSE

New Claims for Benefits Fall

WASHINGTON (Combined Dispatches)—The number of Americans filing new claims for unemployment benefits shrank by 4,000 in late June, for the second straight weekly decline, the government reported Thursday.

Retailers Post Modest June Gains

WASHINGTON (UPI)—Retailers said Thursday they posted modest sales gains in June, despite unseasonably cool weather, an earthquake in California and one less weekend in the calendar last month.

AMD Earnings Doubled in Quarter

SUNNYVALE, California (UPI)—Advanced Micro Devices Inc. reported Thursday second-quarter earnings of \$38.9 million, or 43 cents a share, more than double earnings of \$14.7 million, or 17 cents a share, for the year-ago quarter.

House Passes Tough Bill on Trade

WASHINGTON (NYT)—The House of Representatives has passed a broad trade bill that would require the federal government to adopt a confrontational approach to reducing foreign trade barriers.

For the Record

Eastman Kodak Co. said it would sell 10 businesses and that bids had already been received for four: Datapac, Estek, Viack and an unspecified government-contract business.

WORLD STOCK MARKETS

Large table showing world stock market data for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others. It includes columns for stock prices, changes, and market indices.

Handwritten text at the bottom of the page: "كنا من الأهل"

Abundance Hits U.K. Produce Firm

LONDON — Albert Fisher PLC's stock lost nearly half its value Thursday after the British produce distributor said an overabundance of fruit and vegetables this year would push second-half earnings sharply below expectations.

"Growers have been too optimistic about Eastern European demand," while good weather encouraged big harvests, said the chairman, Tony Miller.

Fresh produce prices in Europe are down 12 percent from a year ago, he said.

Albert Fisher's earnings by apples, grapes and pears imported from Chile into Europe fell by £1.5 million (£2.9 million) from year-ago levels until the season ended in May, Mr. Miller said.

The stock closed 25 pence lower, at 41 pence, after very heavy trading.

In financial 1991, ended last Aug. 31, Albert Fisher earned £53.93 million pretax in its European food and distribution operation, accounting for 61 percent of its earnings. Overall revenue totaled £1.1 billion.

Fisher said it expected second-half profit to be "significantly lower" than analysts' expectations, blaming "exceptionally high crop yields." Profitability also has declined because of the European recession.

Fisher earned £37.2 million in the first half of financial 1992, up 21 percent. But with Thursday's news, analysts on average slashed forecasts for full-year pretax profit to £63 million from £77 million.

EC Court Rules U.K. Publishers Must Free Prices

LUXEMBOURG — Bookstores would be free to cut their prices in Britain and Ireland under an EC court ruling Thursday against publishers.

The European Community's Court of First Instance rejected an attempt by the British Publishers Association to save a long-established system of controlling bookstore prices in defiance of a decision by the EC Commission that it was illegal.

The court upheld the declaration by the commission in 1988 that publishers were breaking EC competition laws by clubbing together to set recommended retail prices for book shops.

Higher Sales Fail to Lift First-Half Profit at Audi

NECKARSULM, Germany — Audi AG, the upmarket car division of Volkswagen AG, said Thursday that pretax profit in the first half of 1992 fell 13.4 percent, despite a sales gain.

The carmaker said sales rose in the less-profitable export markets rather than the profitable German market, which had boomed in the year-earlier period.

The profit of 315 million Deutsche marks (\$213 million), came on sales of 8.55 billion DM, up 19.9 percent from the year earlier. Car sales rose 15 percent, to 271,200 vehicles.

Ferdinand Piech, management board chairman, said Audi aimed to increase car production to 490,000 vehicles for the full year, from 451,265 in 1991. This should boost annual sales to more than 16 billion DM and "positively affect earnings," he said.

In the first half of 1992, Audi's domestic car deliveries rose 7 percent, to 133,600, while deliveries to its main European export markets rose 23.9 percent, to 106,800. Deliveries to the U.S. market rose 10.5 percent, to 6,900, and deliveries to other markets worldwide rose 28.9 percent, to 23,900.

In 1991, Audi sales rose 22.2 percent, to 14.81 billion DM, while its group net profit rose 30.3 percent, to 370 million DM.

Mr. Piech attributed Audi's market success to the complete renewal of its model range.

He said the company had added six shifts to meet demand for the Audi 80, production of which rose 22 percent from last year.

Investor's Europe

Frankfurt DAX 1900	London FTSE 100 Index 2800	Paris CAC 40 2100
1900	2800	2100
1800	2700	2000
1700	2600	1900
1600	2500	1800
1500	2400	1700
1400	2300	1600
1300	2200	1500
1200	2100	1400
1100	2000	1300
1000	1900	1200
900	1800	1100
800	1700	1000
700	1600	900
600	1500	800
500	1400	700
400	1300	600
300	1200	500
200	1100	400
100	1000	300
0	900	200

Exchange	Index	Thursday Close	Prev. Close	% Chang
Amsterdam	CBS Trend	120.40	120.80	-0.33
Brussels	Stock Index	5,775.33	5,775.05	Unch.
Frankfurt	DAX	1,757.54	1,761.16	+0.57
Frankfurt	FAZ	694.50	694.45	+0.01
Helsinki	HEX	736.51	738.03	-0.21
London	Financial Times 30	1,919.90	1,891.90	+1.76
London	FTSE 100	2,497.90	2,472.60	+1.02
Madrid	Genera Index	235.92	233.61	+0.99
Milan	MIB	854.00	843.00	+1.30
Paris	CAC 40	1,861.84	1,847.75	+0.76
Stockholm	Aftersvariden	1,005.16	1,003.14	+0.20
Vienna	Stock Index	413.25	416.06	-0.68
Zurich	SBS	633.10	635.30	-0.35

Sources: Reuters, AFP International Herald Tribune

Poor Consumer Sales Put Grundig in Red

FURTH, Germany — Citing continuing weakness in the consumer-electronics market, Grundig AG said Thursday that it swung into a net loss in its latest financial year.

Grundig had a net loss of 19 million Deutsche marks (\$12.8 million) in the year ended March 31, compared with a net profit of 190 million DM a year earlier.

The German electronics company's group sales fell 7 percent, to 4.24 billion DM, from 4.55 billion DM. Sales at Grundig's consumer-electronics unit dropped 9 percent, to 3.76 billion DM.

Grundig has not made a profit forecast for the current year, saying the company is having difficulty improving profitability. It expects sales to be flat.

Renault Lifts Europe Sales 5%

PARIS — Renault, the French state-controlled carmaker, said Thursday that its European sales rose by about 5 percent in the first half, to 767,300 units, from 734,200 in the like 1991 period, giving it a market share of 10.5 percent.

Renault said that according to provisional figures, the overall market was 12 percent smaller in the first half of 1992 than in the first six months of 1991, when its market share was 9.9 percent. The company also said it saw no sign of an upturn in the European car market.

Separately, Renault and the other major French carmaker, the private-sector PSA Peugeot Citroën, said they expected to make up for production lost during the recent French truckers' strike by working on Saturdays and holidays in the coming weeks.

Very briefly:

- Kaufhof Holding AG, the German retailer, said sales rose 12.8 percent in the first half, to 8.9 billion Deutsche marks (\$6.01 billion); sales at its subsidiary IYS, the former East German travel agency, grew sixfold in the first eight months of its financial year, to 1.5 billion DM.
- Linde AG, the German equipment maker, said it raised its stake in Italian refrigerator manufacturer Criosbanc SpA to "significantly over 40 percent."
- Co-op AG expects net profit of 200 million Deutsche marks in the year to Sept. 30, 1993, up from 121 million DM in its previous year, and it will ask shareholders to approve a "substantial" capital increase to incorporate five companies shifted from its parent, Asko Deutsche Kaufhaus.
- Racal Electronics PLC won a contract to link 100 Belgian police stations throughout the country to computers at police headquarters.
- EastNet Inc., a U.S.-based company that plans to provide a financial information service covering the former Soviet bloc and China, said it would open the first full-time business news bureau in Ukraine next week.
- France's parliament adopted an equity-based savings plan to be launched Sept. 14 that will provide an exemption from capital-gains tax for investors who hold their stakes for at least five years.
- Cap Gemini Societ SA, the French software company, and Matra SA, the defense contractor, will merge their defense-software subsidiaries CAP SESA Defense and Matra-SEP Imagerie.

Euro Disney Is 'Doing Fine'

PARIS — Euro Disneyland is doing "as well, or even better" than its counterparts in the United States and Japan did at similar stages of development, Euro Disney's chairman said Thursday.

Robert Fitzpatrick told the French business daily Les Echos in an interview that it was too early to know if the park's first year of business would be profitable. He did not reveal figures on attendance or revenue.

"One must be cautious. There's so many hazards: the farmers' protest the roadblocks that hurt us," he said.

Previously, Euro Disney said it had welcomed 1.5 million visitors in the seven weeks following its April 12 opening. Its objective for the first year is 11 million visitors.

NYSE Thursday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

(Continued)

Symbol	Price	Change
IBM	110.00	+0.25
Microsoft	45.00	+0.10
Apple	28.00	+0.15
Oracle	35.00	+0.20
Novell	22.00	+0.10
Lotus	18.00	+0.05
Intuit	15.00	+0.05
Visa	12.00	+0.05
MasterCard	10.00	+0.05
Discover	8.00	+0.05
Amex	6.00	+0.05
Bank of America	4.00	+0.05
Wells Fargo	3.00	+0.05
Citigroup	2.00	+0.05
JPMorgan	1.50	+0.05
Goldman Sachs	1.00	+0.05
Merrill Lynch	0.80	+0.05
Prudential	0.60	+0.05
MetLife	0.50	+0.05
AIG	0.40	+0.05
Travelers	0.30	+0.05
Western Union	0.20	+0.05
AT&T	0.10	+0.05
Verizon	0.05	+0.05

Symbol	Price	Change
Alcoa	45.00	+0.25
Aluminum	35.00	+0.10
Steel	25.00	+0.15
Energy	15.00	+0.20
Utilities	10.00	+0.10
Telecom	8.00	+0.05
Transportation	6.00	+0.05
Healthcare	4.00	+0.05
Pharmaceuticals	3.00	+0.05
Biotechnology	2.00	+0.05
Chemicals	1.50	+0.05
Automotive	1.00	+0.05
Food	0.80	+0.05
Retail	0.60	+0.05
Media	0.50	+0.05
Real Estate	0.40	+0.05
Insurance	0.30	+0.05
Banking	0.20	+0.05
Government	0.10	+0.05
Foreign	0.05	+0.05



WITHOUT MOVING AN INCH WE SEE THE SUN RISE 70 TIMES A DAY.

Dawn. The sun rises on the island of Java, shining down on a train travelling the Surabaya-Kertosono line. The track circuits are ours. A few hours later, the same sun rises over our power station at Mers El Hadjadj, Algeria. And, later still, over our geothermal plants in Middletown, California. Hour after hour, the sun rises over our achievements in 70 countries. In 30 of these we have established sales and production organizations. We at Ansaldo are world leaders in electromechanics. We know how to combine advanced design and constructional ability, flexibly. That's how we are able to supply specific solutions for industry, power and transportation. Fields united by a common strategic vision, based on advanced technology, research, and the quality of our human resources. Stop, now, and think: at this instant, somewhere in the world, the sun INDUSTRY POWER TRANSPORTATION is rising on Ansaldo.



Taiwan Aero: Sizzle's as Good as Steak

Bloomberg Business News

TAIPEI — Taiwan is reaping a publicity windfall from talks over a \$2 billion investment by the fledgling Taiwan Aerospace Corp. in a unit of McDonnell Douglas Corp., even though the talks have not resulted in any business agreements, government officials say.

Honda Licensee Sets Vietnam Plant

TAIPEI — Taiwan's Ching Fong group said Thursday it planned to spend \$55 million setting up a motorcycle factory in Vietnam, the first Taiwan investment in the country's vehicle industry.

backing for Taiwan Aerospace's link with McDonnell Douglas appeared to waver after the project was criticized in the legislature as too expensive.

Taiwan Aerospace's current capital is \$200 million; the proposed McDonnell Douglas deal calls for a \$2 billion investment.

The Taiwan company this spring changed chairman and offered McDonnell a new plan to purchase up to \$2 billion of planes but not to take an equity interest in the company.

Although Taiwan Aerospace has yet to sign any major agreements, Philip Wang, director of the government's Industrial Development Bureau, also reported to think the company has benefited from the publicity surrounding the McDonnell deal.

"The status of Taiwan Aerospace is becoming higher and higher. At the time the memorandum of understanding was signed with MD last year, this wasn't expected," Wang was quoted as saying in the Economic Daily News.

JVC Debt Rating Is Cut, More Downgrades Seen

Bloomberg Business News

TOKYO — The consumer-electronics maker JVC on Thursday became the latest company in Japan's struggling electronics industry to have its credit rating cut.

JVC, formally known as Victor Co. of Japan, had its long-term debt rating knocked down to A, from AA-minus, by U.S.-based Standard & Poor's Corp., which said JVC's profits were being eroded by tough competition, weak demand and shrinking market share.

JVC is 52 percent-owned by the consumer-electronics giant Matsushita Electric Industrial Co., which S&P downgraded from triple-A to AA-plus on July 3. Matsushita makes the Panasonic, Technics and National brands.

Japan's largest electrical-machinery maker, Hitachi Ltd., suffered a similar blow on June 29, when Moody's Investor Service, another U.S. ratings agency, lowered its long-term debt rating to A2 from AAA, S&P on Thursday about 100 investors protested outside the stock market and one man wrote a banner in his own blood, calling on the government to intervene to halt the slide.

Separately, the minister at the Economic Planning Board, Choi Kak Kyu, said the government would maintain its policy of cooling South Korea's overheated economy and stemming domestic consumption until the end of 1992.

been deteriorating," said Yoshio Takezawa, manager of Moody's Investors in Japan. "We are concerned and are monitoring their creditworthiness."

The current wave of downgrades mostly stems from the rising costs and slumping sales that are pummeling profits for Japan's powerful electronics industry, which includes the world's leading companies in fields from audiovisual products to semiconductors.

High credit ratings are critical to keep financing costs low for companies. Downgrades hurt the bottom line by making it more expensive for companies to raise funds through issuing debt.

The electronics industry's dilemma began when the current global recession came close on the heels of a capital-spending binge in the late 1980s.

Alerting investors to a potential downgrade, Moody's has put Minolta, a leading camera maker, on a credit watch list. S&P judges as "negative" the outlook for Sony, one of the world's best-known electronics companies, and Ricoh, an office-automation equipment maker.

Investor's Asia

Table with columns for Exchange, Index, Thursday Close, Prev. Close, % Change. Includes data for Hong Kong, Singapore, Tokyo, etc.

Very briefly:

- Vietnam posted a \$155 million trade surplus in the first six months of the year, as exports surged to a record \$1.025 billion.
• Japan is set up a new self-regulatory body for a commodity fund that will cover securities brokers, banks, trade houses, insurance companies and commodity brokers; the new body will replace the Japan Commodity Fund Association, which was formed in April.
• India's prime minister, P.V. Narasimha Rao, announced the establishment of an all-party parliamentary inquiry into a billion-dollar scandal that has rocked India's stock markets and banking system; a boycott of major stock exchanges, meanwhile, continued for the fourth day.
• The Japan-North Korea Trade Association said a private 60-member trade mission, involving some of Japan's major trading houses for the first time, would visit North Korea next week to assess prospects for expanding trade.
• Grey Advertising Inc. has started a joint-venture company with China International Trust & Investment Corp. to promote brands in China and to publicize Chinese companies abroad.
• Zhejiang, China's eastern coastal province, announced plans to build a major steel complex and an international harbor terminal.
• Japan's Finance Ministry has banned banks and life-insurance companies from including horse-racing tickets, paintings, movie tickets and oil-drilling rights in commodities funds they will market this year.
• Samsung Electronics Co. started trial production of 32-megabit mask read-only memory chips; it will begin marketing the chips next year.
• Penta-Ocean Construction Co. of Japan has won a \$23 million contract to deepen part of the Suez Canal.

Evergreen Marine Weighs Civil Use of Subic

TAIPEI — Evergreen Marine Corp. (Taiwan), the world's largest container-shipping operator, is studying whether to lease the former U.S. naval base at Subic Bay in the Philippines, a spokesman said Thursday.

man said, adding that discussions with Philippine authorities were under way.

The United States has agreed with Manila to vacate the huge base by mid-December. Other foreign companies have also expressed interest in using the facilities.

Taiwan, seeking to improve ties with the new Philippine administration of President Fidel Ramos, said on Wednesday it would help the Philippines overcome its severe power shortages. Foreign Minister Fredrick Chien said the cabinet was studying ways to help Manila develop energy resources.

Australian Unemployment Hit 11.1% in June

CANBERRA — Unemployment in Australia rose in June to a post-Depression high of 11.1 percent, the government said on Thursday.

The higher-than-expected figure reflects an 18-month recession related to a spate of bank-ruptcies among major companies, weak commodity markets and a poorly developed manufacturing sector.

Treasurer John Dawkins said the budget he would present next month for the fiscal year through June 30, 1993, would contain job-creating measures. He also said Prime Minister Paul Keating planned to announce measures to address unemployment among 15- to 19-year-olds, which was at 35.8 percent in June.

Analysts noted the Labor government, which trails an opposition coalition of the Liberal and National parties in opinion polls, faces an election by May. "The shocking rise in the unemployment rate to 11.1 percent will increase the political pressure on the government to act," said Grant Bailey, chief economist of Citibank Australia.

Korean Stocks Fall, Igniting Protests

Compiled by Our Staff From Dispatches

SEOUL — South Korea stocks tumbled Thursday for the seventh consecutive day, falling below 530 on the key index and prompting a demonstration outside the exchange.

The composite index fell 6.72 points to 523.07 and volume dwindled. "Investor sentiment has frozen," said a broker at Dongpat Securities. About 100 investors protested outside the stock market and one man wrote a banner in his own blood, calling on the government to intervene to halt the slide.

GATT Praises South Korea Trade

Compiled by Our Staff From Dispatches

GENEVA — South Korea won praise from the world trade watchdog, GATT, as a country whose liberal trade regime helped it achieve economic success.

According to a report issued by the General Agreement on Tariffs and Trade, South Korea's merchandise trade in relation to gross domestic product had increased from 11 percent in 1962 to 75 percent in 1990. South Korea's imports and exports each account for almost 2 percent of the world total, ranking Korea fifth among GATT members.

ADVERTISEMENT

INTERNATIONAL FUNDS

July 9, 1992

Large table listing various international funds with columns for fund name, currency, and price. Includes sections for International Funds, Other Funds, and various regional funds.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS OLYMPICS

Samaranch Offers Yugoslavs Chance To Attend Games

The Associated Press
LAUSANNE, Switzerland — Yugoslavia has been offered the opportunity to send athletes to the Barcelona Olympics despite United Nations sanctions, the president of the International Olympic Committee said Thursday.

The IOC president, Juan Antonio Samaranch, said he had proposed that Yugoslavs compete as individuals under the neutral Olympic flag and anthem. Formally, they would not be representing Yugoslavia.

Yugoslav Olympic officials, who met Samaranch at IOC headquarters Wednesday, were given until Friday to reply, Samaranch said. The Games begin July 25.

The announcement followed a call by leaders of the world's seven richest democracies at their Munich summit meeting this week that athletes be allowed to participate individually.

"It was decided that we would make an official proposal to the Yugoslav Olympic Committee that athletes from Yugoslavia can take part in the Olympic Games," Samaranch said. "There would be some conditions."

Yugoslav athletes would wear white uniforms and be called the Independent Team, said the IOC director-general, Francois Carrard.

Carrard said he had "good hopes" that Yugoslav officials would accept the formula.

Samaranch met with Prime Minister John Major of Britain in London last week and the plan got "the approval of all major powers," Carrard said.

The UN Security Council included a sports boycott in sanctions it imposed May 30 on Yugoslavia, which now includes only Serbia and Montenegro. The measures were designed to end Serbian involvement in the fighting in Bosnia-Herzegovina.

The UN resolution's loophole was that it only banned athletes officially representing Yugoslavia, Carrard said.

"We managed to convince a number of people that long-term, this political intrusion into sports was excessive inasmuch as it was hitting innocent athletes," he said. "Why punish them?"

Yugoslavs "would participate representing themselves, not any state," he said.

Spanish authorities said last month that they would not give entry visas to Yugoslav athletes because of the UN sanctions.

But Samaranch, a Spaniard, said Thursday that he had spoken with Spanish government officials and that "in principle they agreed" to the IOC suggestion.



Workers spiffing up a statue of Christopher Columbus in Barcelona as part of a cleanup effort before the Summer Games start July 25.

U.S. Dream, Angola's 'Troubles'

The Associated Press
FLINT, Michigan — The "Dream Team" can wait. Angola is still busy with the "Daydream Team."

The African national basketball champions, touring the United States to prepare for their opening-round game against the U.S. team in the Olympics on July 26, got another lesson in the American game on Wednesday night.

Ragnone AAU, the three-time national AAU champion, defeated Angola 93-80. The AAU team might have had a harder time without two Flint-born stand-ins — Glen Rice of the National Basketball Association's Miami Heat and Jeff Gray of the Milwaukee Bucks.

Ragnone AAU, a collection of former city and college stars and a handful with NBA experience, isn't the Dream Team — just call them the Daydream Team, one of the players suggested.

"I had nothing to go on before, but I'm impressed," said Brendan Sühr, an assistant to the U.S. Olympic coach, Chuck Daly. "I had no idea what to expect, but I like their team. They're athletic, they shoot well, they play well together."

Vitorino Cunha, who has coached the Angolan national team for 17 years, said he had few illusions about facing the Americans in his team's first appearance in the Olympics.

"Our goal is to lose between 30, 35, 40 points, no more," Cunha said. "We are not afraid. We'll press, overload the lane. We're a small team. I have no alternative."

The scouting report on Angola, what there was of it, panned out Wednesday night.

The Africans played sticky man-to-man defense, crashed the boards with occasional gusto and whipped and arched cross-court passes, looking not for points underneath but for the open jumper.

Angola wasn't outplayed, Cunha said afterward.

"We played O.K.," he said. "We were tired. Tomorrow we will play better."

Added Angola's Nelson Sardinha: "We're a small team. Against the big teams in Barcelona, we're going to find players who are very physical. Magic, Michael will be there. We'll have big troubles."

Doctors Clear Stockton for Games
John Stockton has been cleared by Utah Jazz doctors to resume play with the U.S. Olympic team, The Associated Press reported.

Stockton, an All-Star point guard, was in Salt Lake City on Wednesday to be examined by the Jazz orthopedic surgeon, who said Stockton's injury, an undisplaced fracture of the right proximal fibula, was healing quickly.

Stockton was injured in the second game of the Tournament of the Americas when he collided with Michael Jordan of the Chicago Bulls. He missed the remaining games because of the injury.

Thompson Ends Career As Last-Ditch Bid Fails

Compiled by Our Staff From Dispatches
LONDON — The decathlete Daley Thompson's brilliant international track career ended in disaster Thursday as he failed to qualify for a fifth Olympic Games.

The world-record holder and two-time Olympic gold medalist pulled up in pain five seconds into the opening event of a decathlon set up specially for him. Running in the 100 meters before about 30 paying spectators at the Crystal Palace, Thompson stopped half way down the track clutching his right leg.

He indicated to his coach, Frank Dick, that he had pulled a muscle. Asked if this setback meant the end of his international career, Thompson, 33, replied: "Yes, it does."

Dick said Thompson had torn a bicep femoris tendon near the right knee, and would be unable to compete for at least three weeks.

But the man once hailed as the world's greatest living athlete had no regrets as he announced his retirement from international competition.

"I wouldn't change anything," Thompson said. "Nothing at all." After winning the Olympic titles in 1980 and 1984, when he set the world record of 8,847 points in Los Angeles, Thompson was fourth at the 1988 Games and has not completed a decathlon since.

The two-day event at Crystal Palace, involving seven other British decathletes, was set up specially for Thompson as his final chance to reach the British Olympic qualifying standard of 7,850 points.

"It's a big disappointment, but it's one of those things," he said. "No one has a divine right; if you're not good enough you don't go. At the end of the day, I wasn't good enough."

"I think it was poetic," he said. "I didn't have 50 people watch me in total in my first five decathlons when I was a teenager all those years ago. It's come full circle."

"But, for me," he added, "athletics has never been about the razzamattaz. It's been about doing the best you can."

(AP, Reuters)

Is Japan's Team On Deck for Gold?

By Charles Nobles
New York Times Service

NEW YORK — One thing everyone should understand early about the Japanese team that looms as a strong contender for the first Olympic gold medal ever awarded in baseball: It's not just a game to these guys.

Reggie Smith, the former major leaguer who played for two years in Japan, directs attention to something called the "samurai spirit."

"They don't refer to it as a game," said Smith. "Their fans don't say, 'Have a good game.' They say, 'Have a good fight.' And that's what it is to them: a fight."

The Japanese have historically been fair baseball fighters on the international scene. With baseball as an exhibition sport in the Olympics, they finished first in 1984, second in 1988.

And now that the sport has been elevated to medal status, the Japanese expect to be in the thick of the eight-team competition at the Barcelona Games, which begin July 25.

Enchiro Yamamoto, head of the Japanese delegation that played a three-game series against mostly fuzzy-checked professionals recently in Florida, ventures that this assemblage of talent is better than any previous Japanese Olympic team.

"For the first time, we have good left-handed pitching," said Yamamoto. "And our hitting is very good."

That became evident recently when the Japanese pummeled — and that may not be an adequate description — the Los Angeles Dodgers' Gulf Coast League rookie team in two games and the West Palm Beach Expos of the Class A Florida State League in another.

The combined difference was 39 runs to 3. It looked like men against boys, and maybe it almost was: The average age of the Japanese players was 24-plus, the American pros under 20.

Smith, the Dodgers' minor league hitting instructor, endured the first two games, when his pupils were outscored by 27 runs. He wasn't around to see the Expos' more experienced pros take it hard on the chin, 10-1.

"They've been playing baseball in Japan a long time now, and it's their No. 1 popular sport," said Smith. "So they have a thorough knowledge of the game, and they certainly work at getting better. In fact, when I was over there, I thought they worked their pitchers too hard."

That still may be the case, Smith said. He noticed that Japan's second-game starter had been down in the bullpen throwing the cover off the ball just the day before.

"When I was over there, I asked about that a couple of times and the response was, 'You don't understand because you're not Japanese,'" Smith said.

The Japanese have long been noted for their endurance-testing practices. Said Ike Ikubara, who left Japan in 1965 to work for the Dodgers, "As a group concept, they value quantity over quality workouts."

Quantity is a way of life with the Olympic players. They all have jobs in the morning and then play baseball all afternoon. They compete in Japan's Major League, the country's highest amateur league.

Like most Japanese teams, the Olympic squad is long-ball-oriented, said Smith, because of the influence of power-hitters.

Said Ikubara, now an assistant to the Dodgers' owner, Peter O'Malley: "People say power is the major difference between baseball in the United States and Japan. Well, that's a misconception. The major difference is speed. Japanese have power, but do not emphasize speed much. Speed creates fear. It makes opponents commit too many mistakes."

BOOKS

THE HAPPY ISLES OF OCEANIA: Paddling the Pacific

By Paul Theroux. 528 pages. \$24.95. G.P. Putnam's Sons, 200 Madison Avenue, New York, New York 10016

Reviewed by Christopher Buckley

LIKE another great American travel book, this one begins with a damp, drizzly November of the soul. Paul Theroux and his wife were breaking up, and a discolored patch on his arm, said his doctor, might be cancer. Then arrived an invitation from Down Under to go on a book tour in New Zealand and Australia. That last bit would have driven a less hardy soul to Dr. Kevorkian, but Theroux packed his 15-foot (4.5-meter) collapsible kayak, tent, sleeping bag and sea-sickness, and lit out.

He traveled to 51 islands in all, from Megeaesia (New Zealand and Australia) to Polynesia (the Trobriands and Fiji), Polynesia (Tonga to Easter Island) and "Paradise" (Hawaii). In: patch on his arm turned out to be benign, and he burned the November out of his soul. Indeed, by the epiphany at the end of the book, Theroux, a prickly bear at best, has never sounded so happy, which makes this, with the best of travel writing, an interior as well as a surface odyssey.

And what a trip. New Zealand's rain forests, crocodile-infested estuaries in

New Guinea, volcanic islands, coral atolls, rubbish-strewn harbors, wild, perilous coastlines, sharky waters, wind-swept islands numinous with spirits. He travels light but brings penetrating intelligence and tough erudition to every place he touches, debunking myths (in which the Pacific especially abounds), justifying prejudices, and getting to the quiddities of other Pacific voyagers: Captains Cook and Bligh, Somerset Maugham, Gauguin, Robert Louis Stevenson, James Michener and Thor Heyerdahl.

This isn't a Guinness Book of Records stunt. Theroux did not paddle from New Zealand to Hawaii, but instead among the islands in and along the way. But there are moments of dangerous encounter that, but for Theroux's quick and practiced survival wit, would have ended with a bloodstained smelt spout on a beach, as happened to poor Captain Cook. Elsewhere, he muses on his probable fate: "Traveling would kill me. I felt, I had always had the idea, and still do, that my particular exit would be made via an appointment in Samarra: I would go a great distance and endure enormous discomfort and trouble and capsize in order to meet my death."

This is a thick book as travel books go, 528 pages but not one too long, containing an ocean of moments and episodes too immense to detail here. We learn why French Foreign Legionnaires dedicate their mistresses' false teeth when they go home to France; why Polynesians are

mad for Spam; why Michener got it so wrong in his book about the Pacific; about the ozone surplus over the South Atlantic; why Robert Louis Stevenson settled for his remaining years in (still) vile American Samoa; why "Type" was such a hit in the 1840s; why confidence is so essential to the solitary traveler.

Part of the pleasure of reading Theroux is watching him train his take-no-hustles scorn on things that wander into his cross-hairs. His most withering fire is reserved for the French and the Japanese. The French, he writes, "are among the most self-serving, manipulative, trivial-minded, obnoxious, cynical, and corrupting nations on the face of the earth."

Why does he hate the Japanese so? "Because," he tells a minister in the Solomon Islands, "it is a one-race, one-language, one-family island of desperate overachievers who have a fascist belief in their own racial superiority. These little people have a palpating need to dominate the world and will do anything at all to sell their stuff."

This is Theroux's 28th book. It leaves him, with one less area of earth to discover, and with the hope that traveling does not kill him before he can get to those that remain. Say, France or Japan?

Christopher Buckley, whose books include "Steaming to Bamboola" and the novels "The White House Mess" and "Wet Work," wrote this for The Washington Post.

BRIDGE

By Alan Truscott
AFTER eight months of struggle, the Grand National Team Championship for players in New York City and Long Island ended in late June.

The diagrammed deal illustrated the tendency of modern experts to use sophisticated opening two-bids. The opening two-diamond bid by the North cards showed a two-suiter, including at least one major, with values short of an opening bid.

East and West pushed the bidding quickly to the five-level in diamonds. South, not unnaturally, tried six hearts. He knew, of course, that his partner would correct to six spades if he held that suit rather hearts.

Six hearts was slightly optimistic. On the face of it South needed to find East with the two black kings, not unlikely in light of the bidding. He won the opening diamond lead with the ace and drew trumps in four rounds. He then led a low club and faced his moment of truth when East played low.

South made the normal play of the queen, hoping that the king was on his right. What this lost to the king and diamonds were continued he had lost control and the slam failed by three tricks. In the replay North was the declarer in four hearts, and made 12 tricks after the helpful lead of the club ten.

NORTH (D)
75
K J 10 8 4
5
A 8 6 5 2

EAST
K J 6 3
3
K 9 7 6 3 2
10 7

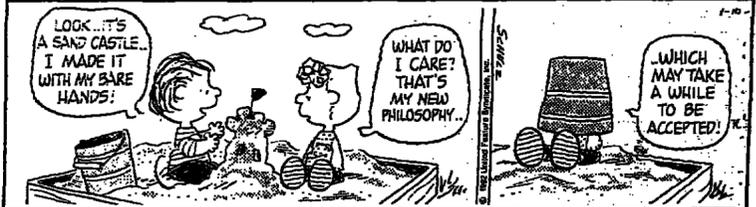
SOUTH
A Q 9 4 2
A Q 8
A J
Q 8 3

North and South were vulnerable. The bidding: North East South West

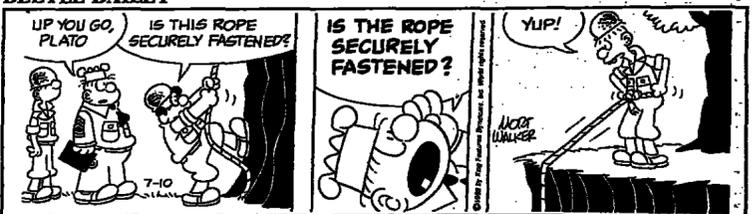
2 3 4 5 6
Pass Pass 6 7 Pass
Pass Pass

West led the diamond four.

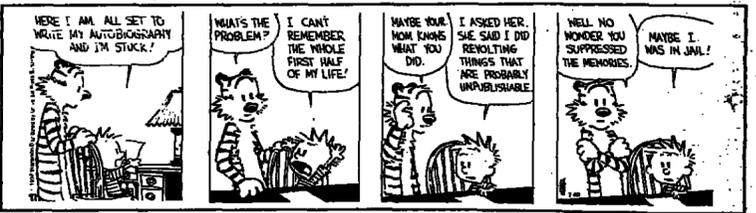
PEANUTS



BEETLE BAILEY



CALVIN AND HOBBS



WIZARD of ID



REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

1. NESOO

2. KLEAN

3. CYMTIS

4. SPEBIC

Print answer here: _____

(Answers: (1) SONIC, (2) CLEAN, (3) TISCMY, (4) BICPE)

BLONDIE



مكان من الأجرل

SPORTS BASEBALL

U.S. Moves To Deport Wife of NFL Owner

By Al Kamen and Robert F. Howe

Washington Post Service

WASHINGTON — The Immigration and Naturalization Service has begun deportation proceedings against Marlene Cooke...

The agency is expected this week to issue a show-cause order, the immigration equivalent of an indictment, to Mrs. Cooke...

Under U.S. immigration law, her marriage to a U.S. citizen does not automatically make her a citizen or protect her from deportation...

The deportation case stems from a 1986 guilty plea Marlene Cooke entered in the cocaine smuggling case...

Agency officials believe they have a strong case against Mrs. Cooke, but a lawyer familiar with the proceedings predicted that her husband's attorneys would be able to get her out of it...

Reached by phone Wednesday, Cooke said she had not heard about any potential problems his wife might have with the immigration service...

Should legal efforts fail to stop her deportation, the Cookes would at least have legislative remedy to pursue: A member of Congress could introduce a private bill on Marlene Cooke's behalf...

According to sources familiar with the case, the service began deportation proceedings against Mrs. Cooke within the last year...

Mrs. Cooke's residency permit was jeopardized in 1986 after she was charged with conspiracy to import cocaine, importing cocaine, distribution and possession with intent to distribute cocaine...

Through the man with whom she lived from 1975 to 1981, she became involved with the drug dealmaker...

The Potomac Yard stadium remains far from a reality. A state subsidy for the stadium, estimated by Virginia officials to cost \$130 million, would require the approval of the state assembly...

With five kilometers to the finish and a lead of 3 minutes 47 seconds over the pack, the breakaway saw Boncompagni back off slowly...

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Cal Ripken, atop the All-Star list, also sailed high for a double play.

Ripken and Padres: The People's Choice

By Claire Smith

New York Times Service

NEW YORK — In an election in which 6,222,808 fan ballots were cast and in which Cal Ripken Jr. of the Baltimore Orioles proved the people's choice with the most votes, the San Diego Padres undoubtedly won major-league baseball fan approval as the organization with the most star quality...

The Padres had three players voted to starting positions for the All-Star Game on Tuesday night in San Diego: catcher Benito Santiago, first baseman Fred McGriff and right fielder Tony Gwynn...

What makes the results of the nationwide fan voting doubly sweet for the Padres is that for the first time in over a decade the host team will have as many as three players in the starting lineup...

The last time it happened was in 1980, when Steve Garvey, Bill Russell, Davey Lopes and Reggie Smith of Los Angeles started the All-Star Game played in Dodger Stadium...

The Padres fell short on Wednesday of adding a fourth starter when third baseman Gary Sheffield finished 32,942 votes behind the win-

ning total compiled by Terry Pendleton of the Atlanta Braves. A Padres presence is not only felt on the NL squad, but on the American League team as well...

Second baseman Roberto Alomar of the Toronto Blue Jays and catcher Sandy Alomar Jr. of the Cleveland Indians, brothers who were voted to starting positions, both began their careers in the San Diego farm system...

Santiago won his election by nearly half a million votes. Gwynn, a perennial All-Star, finished second to Pittsburgh's Barry Bonds in the voting among outfielders and will join another Pirate, Andy Van Slyke, in the outfield...

The other NL starters are two perennial favorites. Ozzie Smith, the St. Louis Cardinals' shortstop, earned his 10th straight start, the longest streak since fans resumed voting 1970...

Smith had been tied for most consecutive starts with catchers Johnny Bench, now in the Hall of

Top Baseball All-Star Vote Getters

AMERICAN LEAGUE Catchers

1. Sandy Alomar, Cleveland, 94,892; 2. Iwan Rodriguez, Texas, 54,749; 3. Carlton Fisk, Chicago, 46,134...

First Basemen

1. Mark McGwire, Oakland, 145,423; 2. Frank Thomas, Chicago, 61,823; 3. Cecil Fielder, Detroit, 51,572...

Second Basemen

1. Roberto Alomar, Toronto, 134,207; 2. Chuck Knoblauch, Minnesota, 73,222; 3. Steve Sax, Chicago, 57,197...

Shortstops

1. Cal Ripken, Baltimore, 249,773; 2. Manny Lee, Toronto, 25,541; 3. Dickey Thon, Texas, 24,241...

Third Basemen

1. Wade Boggs, Boston, 125,144; 2. Robin Ventura, Chicago, 74,427; 3. Corby Linnor, Toronto, 62,044...

Outfielders

1. Kirby Puckett, Minnesota, 204,423; 2. Ken Griffey Jr., Seattle, 171,471; 3. Jose Canseco, Oakland, 141,155; 4. Dave Winfield, Toronto, 94,132; 5. Joe Carter, Toronto, 85,342; 6. Mickey Henderson, Oakland, 80,470; 7. Ruben Sierra, Texas, 79,723; 8. Brady Anderson, Baltimore, 54,561; 9. Juan Gonzalez, Texas, 52,518...

All-Star Starters' Statistics

(Through Wednesday) For the third All-Star game, to be played July 14 in San Diego...

AMERICAN LEAGUE

AB R H RBI AVG

1. Alomar, Cle. 177 13 47 2 20 .239

2. McGwire, Oak. 285 21 76 27 44 .327

3. Ripken, Bal. 349 23 92 41 25 .287

4. Puckett, Minn. 322 44 71 4 23 .290

5. Griffey, Sea. 254 27 74 17 47 .291

6. Canseco, Tex. 249 45 43 18 29 .292

7. Boggs, Bos. 282 16 47 4 24 .237

8. Griffey, Sea. 285 21 76 27 44 .327

9. Griffey, Sea. 285 21 76 27 44 .327

10. Griffey, Sea. 285 21 76 27 44 .327

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38. Griffey, Sea. 285 21 76 27 44 .327

39. Griffey, Sea. 285 21 76 27 44 .327

40. Griffey, Sea. 285 21 76 27 44 .327

41. Griffey, Sea. 285 21 76 27 44 .327

42. Griffey, Sea. 285 21 76 27 44 .327

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47. Griffey, Sea. 285 21 76 27 44 .327

48. Griffey, Sea. 285 21 76 27 44 .327

49. Griffey, Sea. 285 21 76 27 44 .327

50. Griffey, Sea. 285 21 76 27 44 .327

Dodgers and Expos Split Twin Bills

The Associated Press

After three doubleheaders in three days, the Los Angeles Dodgers and Montreal Expos are back where they started...

The teams split their final twin bill Wednesday, giving them a 3-3 record in the baseball marathon...

"I'm glad it's over; my legs are pretty well shot right now," said Montreal's Tim Lincecum, one of only five players to play every inning of the rare triple-double...

The three doubleheaders were needed to make up games lost during the Los Angeles riots in April. The Dodgers swept both games on Monday, the Expos won a pair on Tuesday and the teams split on Wednesday...

Pinch-hitter Bret Barberie had a two-run single and hot-hitting Delino DeShields hit a solo homer to lead the Expos in the nightcap in Los Angeles...

Dave Hansen drew in the only two runs the Dodgers scored Wednesday, including a bases-loaded single in the 11th inning to win the game...

Astros 3, Pirates 2: Pete Incaviglia homered on reliever Bob Patterson's first pitch in the ninth and also had a run-scoring double for the Astros in Pittsburgh...

Cubs 3, Reds 2: In Chicago, relief ace Rob Dibble hit Rey Sanchez with a pitch to force in the winning run. The loss snapped Cincinnati's six-game win streak and dropped Dibble's record to 0-4...

With one out in the 10th, Derrick May singled and went to third on a single by Rich Wilkins. Dibble ran the count to 2-0 to Doug Dascenzo before walking him intentionally to load the bases. His next pitch clipped Sanchez on the left forearm, forcing in May with the winning run...

Dibble, who is appealing a four-game suspension for his involvement in a brawl with the Astros, blew the save when he gave up a game-tying homer to pinch-hitter Dwight Smith in the ninth...

Giants 4, Phillies 3: Robby Thompson homered and drove in the deciding run with a bases-loaded groundout in the eighth inning as the Giants completed a four-game sweep in San Francisco...

Braves 2, Mets 1: In Atlanta, Tom Glavine won his seventh consecutive decision and became the National League's first 13-game winner...

Glavine, who has not lost since May 22, allowed nine hits, struck out five and walked one in seven innings to end the Braves' three-game losing streak...

The paper also reported that Steinbrenner had been laying the groundwork for a bid to be elected to the office of mayor in Baltimore after his official return to power, including the firing of Michael Steinbrenner denied the charges...

Cardinals 1, Padres 0: Tom Pagano homered with two outs in the ninth in San Diego to give St. Louis its first three-game sweep of the season. It was the Padres' fifth straight loss...

Padres rookie Frank Sembrano, who had won his previous four starts, pitched eight shutout innings but did not get the decision...

As the Yankees Turn: Can Gene Stand George?

The Associated Press

NEW YORK — The latest chapter in the New York Yankees' front office saga concerns the future of the general manager, Gene Michael...

Michael said Wednesday that certain conditions would have to be met for him to remain if George Steinbrenner resumed operations of the team — but declined to state the conditions...

Steinbrenner could be back at the Yankees' helm after March 1, 1993, according to a report by The Record of Hackensack, New Jersey...

The paper also reported that Steinbrenner had been laying the groundwork for a bid to be elected to the office of mayor in Baltimore after his official return to power, including the firing of Michael Steinbrenner denied the charges...

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Blue Jays Find Key to 7th Straight

The Associated Press

The key, said Jimmy Key, was getting an early lead. Thanks to Joe Carter and friends, Key was ahead of the Seattle Mariners nearly all of Wednesday night...

Carter had a three-run homer to back Key's six-inning lead in a 6-0 victory in Toronto, the Blue Jays' seventh consecutive triumph...

Key struck out two and walked one in his first producing singles off Jim Corsi in Detroit as the Tigers won their fourth straight...

Twins 3, Yankees 2: Mel Hall gave New York a 2-0 first-inning lead with his 12th homer, but the visiting Twins shut down the Yankees after that, with John Smiley (9-4) getting his sixth win in his last seven decisions. Kirk Aguirre got the last four outs for his 24th save in 28 chances...

Brewers 4, Rangers 3: The Brewers came back with three unearned runs in the eighth off Jose Guzman in Arlington, Texas. Jim Gantner started the rally with a one-out single, and Texas shortstop Dickie Thon committed his second error of the night...

Pat Litchak singled in a run to make it 3-2, and Scott Fletcher scored the tying run on Darryl Hamilton's ground out to shortstop. Paul Molitor singled in the go-ahead run...

Red Sox 5, Royals 4: In Boston, Phil Plantier contributed a two-run homer and a game-winning single off Tom Gordon, while Jeff Reardon increased his all-time saves record to 345...

In the eighth inning, Tony Pena was on second with two outs. When Jody Reed grounded to Gregg Jefferies at third, Pena stopped about five feet before reaching Jefferies. The third baseman hesitated, then threw too late to first and Pena took third. Plantier then singled in the go-ahead run...

"I blew it," Jefferies said.

Old Gun Outshines Hopefuls

Top Sprinters Left Behind by Veteran in a Breakaway

By Samuel Abt

International Herald Tribune

WASQUEHAL, France — This should have been the first of the days of the sprinters, who have simply hung on during the climbing and time trials of the Tour de France while awaiting their promised land...

It is mainly flat, sometimes with a rolling hill or two just far enough from the finish line to allow the sprinters to get to the front and prepare to fight it out...

Greg LeMond, who has been riding feebly reported Thursday that he was feeling well and strong. Smiling, he said he had finally caught up on his sleep...

But the top sprinters, except for Ludwig, were not smiling. They all get more chances to shine in the next three days of the three-week race moves through Belgium, the Netherlands and Germany on its way to its finish in Paris on July 26...

Among the sprinters awaiting their next chance are Djamolidine Abdoujaparov, a Uzbek with Carrera; Mario Cipollini, an Italian with MG-GB Boys; and Johan Museeuw, a Belgian with Loto. With Ludwig, a German, they lead the stars...

Cipollini is generally reckoned as the fastest of the sprinters — sprinters' speeds can top 60 kilometers an hour...

What makes a good sprinter? For the Coors Light team, the breakaway saw Boncompagni back off slowly...

"Genies, for one, make a sprinter," he said. "You've got to have it in your muscles. If you don't have a certain amount of explosive power, you can be a good sprinter but not a great one..."

It's fast-twitch fibers that make the difference. As a professional, you've got to go 200, 250 kilometers. Sometimes you call

on those fibers and they say, 'No, I don't think so. They don't often say that to great sprinters.'"

"Beyond that, you need a certain mentality. You have to be daring, you have to be the kind of guy who doesn't mind mixing it up, who likes to get in there when the race gets to be crazy..."

But he said sprinting had changed in recent years. "Now it's the monster power sprinters," Phinney added, "the Ludwigs, the Cipollinis, the Abdous, the guys who go 300 or 400 meters in the wind, everybody on their wheel, and they just bury everybody..."

The funeral ceremony includes rough tactics — bumping an opponent off stride, pulling his jersey to slow him and break his concentration, pushing him with the head or shoulders...

"There's a hierarchy among sprinters," Phinney added, "and they don't mess with each other usually, because when you earn your place, you gain a certain amount of respect..."

Results in Thursday's fifth stage, a 194-kilometer (120-mile) race from Wasquehal to Valenciennes: 1. Guido Bontempi, Italy, Carrera, 4 hours, 4 minutes, and 1 second; 2. Dimitri Konyshev, Russia, TVM, 21 seconds behind; 3. Oleg Likhov, Germany, Panasonic, 36 seconds behind; 4. Laurent Jalabert, France, ONCE, same time; 5. Bruno Cappelletti, Italy, Arzuffo, 4:1; 6. Jim Van de Luer, Belgium, Tullis, 4:2; 7. Franco Antonucci, Netherlands, Breda, 36 seconds behind; 8. Steve Bauer, Canada, Motorola, 38 seconds behind; 9. Oscar de la Hoya, Colombia, Ameyra, 39 seconds behind; 10. Jens Heeniger, Germany, Telekom, 41...

Overall standings after five stages: 1. Fred Liza, France, RMO, 28 hours, 44 minutes and 25 seconds; 2. Richard Virenco, France, RMO, 1 minute and 54 seconds behind; 3. Boncompagni, Italy, 2:11 behind; 4. Jens Heeniger, Germany, Telekom, 4:21 behind; 5. Gianni Bonino, Italy, Galeazzo, 5:26 behind; 6. Gonzalo Gonzalez, Italy, Carrera, 6:28 behind; 7. Stefano Riccio, Inland, Carrera, 8:28 behind; 8. Dimitri Konyshev, Russia, Panasonic, 9:31 behind; 9. Miguel Indurain, Spain, Euzkadi, 10:35 behind; 10. Giancarlo Ferini, Italy, Carrera, 12:35 behind...

SIDELINES

Rangers Are Said to Fire Valentine

ARLINGTON, Texas (AP) — The Texas Rangers fired their manager, Bobby Valentine, on Thursday, two radio stations reported...

A Fort Worth radio station, WBAP, and New York's WFAN said Valentine had been dismissed. The Texas station said coach Tony Harrah was named interim manager and that Valentine had left a note at the Rangers' clubhouse that read: "Good luck, guys, Bobby V..."

Valentine has been manager of the Rangers since 1985. The Rangers were in third place in the AL West (45-41), 6½ games behind first-place Minnesota entering Thursday's games...

Tyson's Attorney Seeks New Trial

INDIANAPOLIS (AP) — Mike Tyson's attorney has filed a petition with Marion Superior Court aimed at winning a new trial for the former heavy weight boxing champion...

The Harvard law professor Alan M. Dershowitz argued Wednesday in a petition for post-conviction relief that a beatty paganant contestant's main motive for accusing the 26-year-old boxer of rape was financial gain, according to reports by WRTV of Indianapolis and the Indianapolis Star...

Tyson should be granted a new rape trial because of his accuser's "powerful but undisclosed financial motives" for wanting his conviction — including potential book and movie rights to her story, Dershowitz said. Tyson was convicted of raping Washington in February and is serving a six-year term at the Indiana Youth Center near Plainfield...

ANC and Rugby Body Reach Accord

JOHANNESBURG (AP) — Rugby officials agreed Thursday to promote the African National Congress call for peace and democracy when Australia and New Zealand arrive for tours in August...

The tours will mark South Africa's return to test rugby after years of isolation because of apartheid. The ANC had threatened to protest the tours as part of its campaign to end white minority rule...

At a meeting Thursday, ANC and rugby union officials said they reached agreement on how the tours could be used to promote peace and democracy, and benefit victims of violence in black townships. The South African Rugby Football Union agreed to include a call for peace and democracy in brochures for the tours; display

